

2/21/78 [1]

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Tuesday - February 21, 1978

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Congressional Leadership Breakfast.
(60 min.) (Mr. Frank Moore) - First Floor
Family Dining Room.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Greet His Excellency, Anker Henrik Jorgensen,
(5 min.) Prime Minister of Denmark, and Mrs. Jorgensen.
The South Grounds.

11:05 Meeting with Prime Minister Jorgensen.
(60 min.) (Dr. Zbigniew Brzezinski) - The Oval
Office and the Cabinet Room.

1:30 Mr. James McIntyre - The Oval Office.

2:00 Video-tape Message for Red Cross Month.
(10 min.) (Mr. Barry Jagoda) - The Residence.

3:15 Drop-by Panama Canal Briefing for Nebraska
Citizens. (Mr. Hamilton Jordan) - East Room.

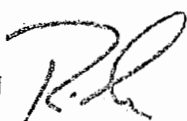
3:45 Drop-by Economic Briefing for Hispanic
(15 min.) Leaders. (Mr. Joe Aragon) - The State
Dining Room.

THE WHITE HOUSE

WASHINGTON

21 February 1978

TO: STU EIZENSTAT
JIM MCINTYRE

FROM: RICK HUTCHESON 

SUBJECT: Secretary Kreps Memo, "Government
Preference for Minority Owned
Businesses"

The President approved further interagency review of Secretary Kreps' proposal and made no decision at this time.

cc: Jack Watson

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

17 February 1978

TO: THE PRESIDENT
FROM: RICK HUTCHESON
SUBJECT: Memos Not Submitted

1. SECRETARY KREPS sent you a memorandum recommending that you approve a minority business enterprise (MBE) procurement preference program, modeled after the LPW 10% requirement, for all Federal programs which make grants to state and local governments for construction projects.

Kreps proposes that Commerce take the lead in this effort, observing that the 10% LPW program has met with considerable success. The 10% goals has been exceeded -- an average of 15% of the LPW grants will be spent for MBES.

She acknowledges that her proposal would be controversial with the construction industry, and points out that the constitutionality of the LPW 10% program has been challenged in court. Legislation would provide a sounder legal foundation for her proposal, but would be difficult to pass; thus, she suggests that an Executive Order might be the only feasible way of implementing her proposal.

Lipshutz advises that applying the 10% provision to direct federal construction (as opposed to federally assisted state and local construction) could be done by Executive Order. However, legislation would be a more secure constitutional foundation for Secretary Kreps' proposal.

McIntyre and Eizenstat point out that the Interagency Council on MBES (chaired by Commerce Undersecretary Harmon) is at present examining a number of alternatives for increasing minority participation in Government contracts, including the proposal made by Secretary Kreps. The MBE Council and other agencies should be

should be given the time to thoroughly examine alternatives to the LPW program approach before any presidential decision is made. Eizenstat suggests that he analyze Kreps' proposal as a new initiative within the urban policy, given that a significant portion of minority businesses are located in cities.

Schultze points out that immediate expansion of the 10% LPW program would require as much as a 7-fold increase in the volume of minority construction. "An expansion this large, if carried out all at once, and strictly enforced, could lead to abuses and substantial difficulties in getting competitive bids."

Congressional liaison had no comment.

✓ approve further interagency review of Kreps' proposal

other

2. JOE MITCHELL (Federal Preparedness Agency) sent you a memo reporting on his recent trip to Canada to discuss US-Canadian emergency preparedness cooperation. Copies were sent to Eizenstat and Brzezinski.



"ACTION"

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

FEB 08 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Government Procurement Preference for
Minority Owned Businesses

As you know, the Commerce Department has been administering a statutory requirement that 10% of each grant in the second \$4 billion round of the Local Public Works (LPW) program be spent for minority business enterprises (MBEs). Reports with respect to 6713 or 78% of the 8555 LPW grants indicate that some \$463 million is already committed for MBEs, so that an average of 15% of each grant is to be spent for minority owned firms. While there are a number of problems with this program, we consider it, on balance, a substantial success.

I propose that this administration develop minority procurement preference programs modeled after the LPW 10% MBE requirement for all federal programs which make grants to state and local governments for construction projects. The Commerce Department could take the lead in such a government-wide effort.

An assurance of preference in government procurement is probably the most effective tool for minority business development in the construction industry, because it gives minority owned construction firms solid construction experience - clearly the best kind of training. The competitive bidding process should keep costs to the government to a minimum. In the long run, the market mechanism will sort out the efficient MBEs from the inefficient ones, and no continuing subsidy will be required.

SBA has been administering a minority set-aside program under Section 8-A of its statute with respect to direct federal procurement by such agencies or DOD, HEW and NASA. While that program has met with some success and has generated some \$2.2 billion of minority business,


it is not applicable to the large grant programs of DOT, HUD, Commerce, Interior and EPA. The technical assistance and exhortative affirmative action programs administered by OMBE in Commerce, by Transportation and by others are useful. But, so far as we can tell, they have not succeeded in generating substantial business for MBES.

Commerce is the appropriate lead agency because of its overall concern for business development and its unique OMBE and EDA experience. This effort is also consistent with the new orientation of the Department toward problems of cities and disadvantaged sectors of the economy.

Our program recommendations would build upon the successes and the problems of EDA's 10% MBE program. In particular, we would refine the system to adjust MBE utilization requirements more closely to the availability of qualified MBES in the vicinity of the grant financed project. We would also define more specifically the characteristics of MBES which would qualify for inclusion in the program.

Any minority contractor preference program will be controversial. The LPW 10% MBE program is strongly opposed by the mainstream construction industry and its constitutionality has been widely challenged in court. But Judge Bell and his staff feel that the present program is constitutional and almost all lower court decisions so far have been favorable. Our recommendations for new programs would take existing complaints into account, but the construction industry will still oppose these programs. A program based on clear legislation would be more effective than one based on an executive order, but obtaining such legislation may be difficult. So a program based on an executive order may be the only achievable one.

Despite these difficulties, I feel that adoption of a broad minority preference procurement program is clearly the most tangible and significant step this administration can take to help minority business; and I recommend that we make a major effort to develop and implement such a program.


Juanita M. Kreps

ID 780673

T H E W H I T E H O U S E

WASHINGTON

DATE: 09 FEB 78

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JIM MCINTYRE

INFO ONLY: THE VICE PRESIDENT

MIDGE COSTANZA

HAMILTON JORDAN

JODY POWELL

JACK WATSON

CHARLES SCHULTZE

BUNNY MITCHELL

SUBJECT: KREPS MEMO RE GOVERNMENT PROCUREMENT PREFERENCE FOR
MINORITY OWNED BUSINESSES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM SATURDAY 11 FEB 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: Comment on Secretary Kreps' Memorandum
on Government Procurement Preferences
for Minority Owned Businesses

Secretary Kreps' memo of February 8 proposes an extension of the 10% preference for minority business industries to federal construction grants.

The basic idea is a good one. But the specific form and content of an Executive Order should be carefully developed, and in particular, a phased program should be considered.

- . The local public works program, in which the 10% preference was introduced, will spend, at its peak, about \$2 billion a year.
- . Total federal construction grants to State and local governments amount to perhaps \$15 billion a year.
- . Extension of the program would therefore require as much as a 7-fold increase in the volume of minority construction contracts.
- . An expansion this large, if carried out all at once, and strictly enforced could lead to abuses and to substantial difficulties in getting competitive bids.

Secretary Kreps asks, in her memo, that the Commerce Department be given the o.k. to develop and implement such a program.

I suggest she be asked to develop a program, giving particular attention to ways in which it could be phased in gradually. In the process of development she should investigate the availability and capacity of potential contractors, in order to determine, if possible, how rapidly the program could be introduced without running into problems. It may also be true that certain kinds of grants are more susceptible than others to a preference program.

THE WHITE HOUSE

WASHINGTON

February 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ
MARGARET MCKENNA



SUBJECT: Secretary Kreps' Memo Re
Government Procurement Preferences
for Minority Owned Businesses

While we support Secretary Kreps' initiative in principle, we see several problems:

1. While the Justice Department has been successful in defending the present Act, at least two factors would create legal problems. The 10 percent provision is now a "one shot" provision and the present Act is limited to a relatively small share of publicly financed construction.
2. In order to provide a secure Constitutional foundation, legislation would be more appropriate than an Executive order. This would entail a political analysis as to whether legislation is feasible.
3. We should consider applying this 10 percent provision to direct federal construction. (Secretary Kreps' proposal applies only to federally assisted state and local construction.) This could be done by Executive order without legislation.
4. GSA and SBA should also be involved.

THE WHITE HOUSE

WASHINGTON

February 13, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Secretary Kreps' Memorandum
re: Government Procurement
Preference for Minority Owned
Businesses

Secretary Kreps recommends that you approve a minority business procurement preference program, modeled after the Local Public Works Act 10% minority business requirement, for all federal programs which make grants to state and local governments for construction projects. Although I agree with the objectives which she seeks to attain, I believe that now is not the time for you to endorse this proposal.

Secretary Kreps' memorandum explains that the 10% minority business goal set for the local public works program has been surpassed. This has been accomplished through the extra efforts made by the Secretary, the Economic Development Administration staff and others to impress upon the business community the seriousness of our intention to make this program succeed. This program led to the largest single infusion of money into the minority business community in the history of Federal programs designed to assist this segment of the economy.

As you know, expanding the local public works minority business set-aside model throughout the government represents a major undertaking and one that would not be without controversy. However, I believe that the model can be used to develop a policy of flexible goal setting by Executive departments and agencies. The Interagency Council for Minority Business Enterprise is considering alternatives for implementing such a policy.

Because a significant portion of minority businesses are located in cities, I think that Secretary Kreps' proposal should be considered for inclusion in the urban policy. If you approve, I will work with the Secretary to analyze further this proposal for your later consideration as a new initiative within the urban policy.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR: Rick Hutcheson

FROM: Jim McIntyre *Jim*

SUBJECT: Kreps Memorandum Regarding Government Procurement Preference for Minority Owned Business

You asked me to advise you on agency staffing for this proposal suggesting to extend a 10 percent minority business set-aside to all State and local grant programs for construction projects. The memo also proposes that the Commerce Department take the lead in such a Government-wide effort.

At this point, under the short time for response, I want principally to note that we have not had an opportunity to staff this proposal within the agencies and that it requires far more careful consideration, I believe, before Presidential review.

We agree that the initial experiments with this program have shown considerable promise; however, as the Secretary acknowledges in her memo, the program has serious opposition within the construction industry and its constitutionality remains unsettled.

The timing of this proposal is somewhat confusing since the Interagency Committee for Minority Business Enterprise, chaired by the Under Secretary of Commerce Harmon, is currently taking a hard look at all aspects of the problem of achieving the President's goal of doubling minority participation in Government contracts. Some of the measures under consideration, for example, include a regulation being developed by our Office of Federal Procurement Policy to require detailed plans for minority subcontracting in contracts of \$500,000 or more. These initiatives offer great promise and fewer legal difficulties by not resorting to an arbitrary nation-wide figure.

I recommend that the Interagency Council on Minority Business Enterprise and the Office of Federal Procurement Policy be given time to examine thoroughly alternatives to the LWP program in the context of their current deliberations before a decision is made to expand or not to expand the program Government-wide. With this analysis, we should be in a much better position to make a decision.

ID 780673

THE WHITE HOUSE
WASHINGTON

DATE: 09 FEB 78

FOR ACTION: STU EIZENSTAT *this del*

FRANK MOORE (LES FRANCIS) *NC*

BOB LIPSHUTZ *Magaret wed PM*

JIM MCINTYRE *12:30p*

ATTACHED
will recomm not staffing

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

JACK WATSON

BUNNY MITCHELL

MIDGE COSTANZA

JODY POWELL

CHARLES SCHULTZE *attached*
will comment
by end of day - mon

SUBJECT: KREPS MEMO RE GOVERNMENT PROCUREMENT PREFERENCE FOR
MINORITY OWNED BUSINESSES

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM SATURDAY 11 FEB 78 +

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

J McIntyre

Please advise as to agency staffing

→ Labor

ID 780865

T H E W H I T E H O U S E

WASHINGTON

DATE: 16 FEB 78

FOR ACTION:

INFO ONLY: STU EIZENSTAT

ZBIG BRZEZINSKI

GREG SCHNEIDERS

SUBJECT: MITCHELL MEMO RE OBSERVATIONS ON U.S.-CANADIAN PREPARED-
NESS FOR CIVIL EMERGENCIES

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: NO ACTION IS NECESSARY - FOR YOUR INFORMATION

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
✓	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

(chat to Pres)

ACTION	FYI	
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		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
✓	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



February 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Joe Mitchell, Director, FPA

THRU: Jay Solomon, Administrator, GSA

SUBJECT: Observations on U.S.-Canadian Preparedness for
Civil Emergencies

I wanted to provide you with some of my observations made during a recent trip to Canada. Very fortunately, I had been planning a trip to visit the Federal Preparedness Agency's (FPA) counterpart north of the border--Emergency Planning Canada (EPC)--the last week in January. This coincided with the period during which the search and recovery of COSMOS 954 was heavily underway. Thus, I found myself visiting the agency--EPC--charged with the coordination of the Canadian governmental reaction to the emergency.

EPC had been brought into the scene in mid-January by the Office of Privy Council, from whom they receive their policy direction. In U.S. terms, this direction comes to EPC from a very small group in the "Executive Office of the White House" which is responsible for general national emergency planning policy development and facilitates the coordination of planning within the Canadian Federal system. In effect, it provides guidance and oversees all emergency planning activities, particularly those of EPC. The role of EPC during the COSMOS 954 operation was to support and provide assistance to the "lead" operating agency, the Department of National Defense. But, in addition, it was responsible for keeping the Prime Minister, the Office of the Privy Council, and the Cabinet briefed on the situation, as well as their Provincial Directors, who were responsible for briefing Provincial government and police officials.

Mr. Walton, EPC's Director General, also queried me rather extensively on what the Federal Preparedness Agency's role had been prior to COSMOS 954 reentry, what it would have been if fragments of the satellite had landed in one or more of our States, and why our two agencies were precluded from exchanging information on plans to mitigate the possible adverse effects of a situation which could conceivably be beyond the capabilities

of private individuals. I was able to brief him on the role FPA played in developing our own Federal Response Plan for Peacetime Nuclear Emergencies as well as our own plans to react had COSMOS 954 disintegrated over the U.S.

U.S.-Canadian civil emergency preparedness (CEP) cooperation had been very close and comprehensive up until about five years ago; but for reasons on both sides, formal contacts measurably decreased. Although FPA began to remedy this situation last year with two regional level meetings, I didn't believe that we had gone far enough, and that was one of the main reasons why I scheduled my recent trip.

There are many reasons on both sides of the border why we need to do much better, as civil emergencies, both during peace and war, can have significant impact. Not only could our cooperation on COSMOS 954 have been better in the civil arena, but the international crisis could have been worse. Last summer, the drought hit both of our nations; and while planning information was exchanged as a consequence of FPA initiatives, closer relationships are desirable. Other areas wherein civil emergency planners have played a role in the past have been in energy emergencies, and there is always the possibility that situations can develop as a consequence of the sea and overland movement of oil and gas from Alaska wherein preplanned cooperation is essential. Since FPA is charged (EO 11051) with being the principal agency for providing advice and assistance to the President in the order of preparing and coping with emergencies, and is named in a bilateral exchange of notes with Canada as a supervisor of U.S.-Canadian cooperative civil emergency planning and arrangements, I plan to do my utmost in promoting much closer U.S.-Canadian cooperation in these areas.

My recent trip was not only the initial step in this direction, but it was interesting to see how the Canadians approached emergency planning. As I mentioned earlier, their small CEP cell in the Office of the Privy Council impressed me, as did their consolidation of all CEP functions (peacetime and wartime emergency planning--including civil defense and disaster assistance). I expect to discuss this with Greg Schneiders for his task force's consideration in developing recommendations to you this month for reorganization decisions.

In summary, the trip to Canada, occurring as it did immediately following the COSMOS 954 descent, was most profitable. It not

only focused my attention on the roles FPA and EPC can, do, and should play prior to and during peacetime and wartime emergency situations, but gave me insight into how a consolidated emergency planning organization can and does operate.

The Canadians will be visiting here in April, and I plan to discuss with them the results of your decisions as to how emergency planning and operations will be structured here in the United States. As you study the recommendations of the Reorganization team later this month, I would be happy to give you my thoughts if you desire.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Hamilton Jordan
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Gammill

RE: BILL WEBER AS CHAIRMAN OF
FEDERAL DEPOSIT INSURANCE
CORPORATION

THE WHITE HOUSE
WASHINGTON

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Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

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Electrostatic Copy Made
for Preservation Purpose

THE PRESIDENT HAS SEEN.

THOMAS J. MCINTYRE
NEW HAMPSHIRE



United States Senate

WASHINGTON, D. C.

February 18, 1978

Dear Mr. President:

To follow up my letter of January 12, I strongly urge you to appoint Bill Weber, Counsel to the Senate Subcommittee on Financial Institutions, as Chairman of the Federal Deposit Insurance Corporation.

As Subcommittee Chairman, I rarely support candidates of my own for financial regulatory posts and have never yet made a request of this sort of you. However, Bill is the ideal candidate to head the FDIC, and would bring credit to you for appointing him.

While the term of the current Chairman, George LeMaistre, does not expire until August 1979, he has indicated that he may retire by fall of this year. Thus, I wish you to know now of my extreme interest in this appointment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom".

The President
The White House
Washington, D. C. 20500

cc Frank
Ham
J

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
WEEKLY STATUS REPORT

THE WHITE HOUSE
WASHINGTON

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 20, 1978

*Items seem
to drop on -
C*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Weekly Status
Report

HOUSING AND URBAN DEVELOPMENT

Urban Policy: Agency comments have been received and we are preparing decision memos for you.

New York City Financial Plan: We are working with Treasury in formulating an appropriate federal approach in the post-June 30, 1978 period. Treasury's negotiations in the City are proceeding well, although a difficult period lies ahead. Hamilton, Jack and I will work closely with Secretary Blumenthal.

LABOR

National Center for Productivity and Quality of Working Life: An interagency decision memo on the National Center for Productivity and Quality of Working Life will be forwarded to you by March 7.

ECONOMICS AND BUSINESS

Economic Program: We will be working with Treasury, CEA, OMB, Labor, and Frank Moore's shop to expedite. Ham will coordinate.

HEALTH

NHI: The first interagency meeting under the PRM process was held on February 13. Assignments were given to each of the participating agencies and the process appears to be off to a good start.

REGULATORY REFORM

Regulatory Reform Executive Order: A final draft of the Executive Order mandating reformed agency regulatory procedures will be sent to Justice for technical refinement next week. It should be to you within two weeks.

Banking Regulating Reform: Treasury will be resubmitting its recommendations. Memo to you next week.

OPENNESS AND INTEGRITY IN GOVERNMENT

Revision of Security Classification System: The second draft of the Executive Order -- incorporating many of the comments that were received from the Hill and the public -- has been circulated to the agencies for further reactions. Their responses have just been received, and we are working with the NSC to review them.

Lobby Law Reform: The House Judiciary Committee is now marking up the bill, and with Frank's staff we have talked with key House members. Senate hearings have been completed, and we are in contact with Senate staff.

REORGANIZATION MATTERS

EEO: Signing ceremony set for February 23. We are working with OMB and others to ready plans for submission to Hill in accord with your decision.

CONSUMER MATTERS

Working with Esther Peterson, OMB and others to prepare option memo on post-consumer agency strategy.

CIVIL SERVICE MATTERS

Civil Service Reform Initiative: Per your recent decision, the Civil Service reform legislation is now being circulated to agencies, key Hill staff, and key interest groups for comment, and a message to Congress is being drafted. The federal pay comparability and labor-management relations proposals are not being circulated at this time. The White House Task Force continues to work on overall legislative and public relations strategy. Key Senators and House members are being visited; discussions with union leaders are continuing.

HATCH ACT REFORM

Hatch Act Reform: The Interagency Task Force has completed its policy work and discussions with Senate staff. Senate hearings are complete, and we are working with Frank on the increasingly difficult task of finding a floor manager.

HUMAN RESOURCES

Vietnam Veterans: We have sent you a memorandum seeking your approval of an Issue Definition Memorandum to initiate a study of the status of Vietnam veterans. The agencies are very favorable to this study and it should greatly improve our coordination of policy in this area.

Pensions: We held a meeting with outside experts on the agenda for the pension commission. They were overwhelmingly favorable to a commission that would attempt to define a national pension policy and how it can be achieved. We are becoming convinced that the entire pension area is one that will be of increasing importance in the next few years, particularly concerning federal, state, and local employees.

Atomic Tests: We have been monitoring the agency responses to Hill hearings on the need for follow-up studies on soldiers who participated in maneuvers during atomic tests in Nevada in the 1950's. There has been some resistance at the lower levels of some agencies but we are hopeful that they will reach an agreement on an appropriate study to determine whether there is a correlation of the tests to an increased incidence of cancer. Some preliminary data gathered by the Center for Disease Control indicates that such a correlation may well exist.

Indochinese Refugees: We have been working with an interagency group attempting to develop a policy on Indochinese Refugees. There is as of yet no agreement on whether there should be any limitations on refugee admissions or how future situations should be handled.

AGRICULTURE AND RURAL DEVELOPMENT

Farm Policy Statement: We are continuing to work with USDA and CEA on development of a statement that details the Administration position on farm policy, identifies past and prospective actions, and assesses future options.

Crop Insurance/Disaster Assistance: The Food and Agricultural Policy Working Group is completing work on an options paper on this topic that should come to you within the next two weeks.

Commodities Futures Trading Commission: We are working with OMB, CEA, and other agencies to develop an Administration position regarding the expiration of this authority.

COMMUNICATIONS

Public Broadcasting: The House hearings on the public broadcasting bill have been rescheduled for late March.

NATURAL RESOURCES

Water Policy Study: Preliminary draft of decision memo under review by agencies (no copies actually circulated) and White House staff. Your consultation with governors is being rescheduled according to your direction.

Reclamation Acreage Limitation: Interior obtaining Congressional feedback on their preliminary proposal.

Nonfuels Minerals Study: First meeting of PRM Coordinating Committee was held February 14. Detailed study management plan will be completed by mid-March.

Russell Dam: Preparing memorandum. There are potential legal problems with the project.

Suwanee River: We asked Interior last summer to evaluate the need for federal action (the original recommendation was for protection of the river by the states). Option memo in preparation by Interior in response to your question.

Tanker Safety: Initial reports from U.S. delegation in London indicated that international agreement has been reached on construction and equipment standards that includes most of U.S. proposals.

ENERGY

National Energy Act (NEA): Natural Gas Conference discussions to resume February 20. DPS, OMB, Frank Moore, CEA and Schlesinger's staff will continue to monitor closely and make reports and/or recommendations to you as necessary. Analytic work continuing on tax-related portions of the bill, along with assessments of Congressional mood on COET.

Nuclear Licensing Reform: Decision memo to you by February 22. John Dingell has asked for Administration testimony on March 1.

Energy Impact Assistance: Preparation of options for decision as well as revision of the steering group report continuing. Final decision memorandum due to you in early March.

Non-Proliferation Legislation: Passed both House and Senate and now on its way to the White House. Legislation was supported by the Administration and conforms in most respects to our recommendations of last spring.

DOE FY 1978 Authorization Bill: The bill is now at the White House for Presidential action (last day is February 25). Enrolled bill memorandum is now being prepared.

MISCELLANEOUS

Congressional Veto Message: DOJ is revising a proposed message.

Western Issue: We continue to work with the Vice President, Jack Watson, and Secretaries Andrus and Bergland on an analysis of policy issues important to the West.

THE WHITE HOUSE
WASHINGTON

2-21-78

To Clem Conger

The Senate has
a promise that the
Treaty Room chandelier
will be returned to
them. Please do so.

Let me know options
on a replacement.

J. Carter

cc Rosalynn
Frank

THE PRESIDENT'S SCHEDULE

NOT ISSUEDTuesday - February 21, 1978

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Congressional Leadership Breakfast.
(60 min.) (Mr. Frank Moore) - First Floor
Family Dining Room.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Greet His Excellency, Anker Henrik Jorgensen,
(5 min.) Prime Minister of Denmark, and Mrs. Jorgensen.
The South Grounds.

11:05 Meeting with Prime Minister Jorgensen.
(60 min.) (Dr. Zbigniew Brzezinski) - The Oval
Office and the Cabinet Room.

1:30 Mr. James McIntyre - The Oval Office.

2:00 Video-tape Message for Red Cross Month.
(10 min.) (Mr. Barry Jagoda) - The Residence.

2:15 Meeting with Mr. Bruce Llewellyn.
(10 min.) (Mr. Hamilton Jordan) - The Oval Office.

3:15 Drop-by Panama Canal Briefing for Nebraska
Citizens. (Mr. Hamilton Jordan) - East Room.

3:45 Drop-by Economic Briefing for Hispanic
(15 min.) Leaders. (Mr. Joe Aragon) - The State
Dining Room.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jody Powell
Richard Pettigrew

RE: CIVIL SERVICE SPEECH

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	✓	POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
✓	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
✓	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

Jim
C

THE WHITE HOUSE

WASHINGTON

February 21, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *Jw*

SUBJECT: Civil Service Speech

I have talked with Stu, Hamilton, Jody, Scotty Campbell, Harrison Wellford, and others about a speech or statement on civil service reform and government reorganization, to be given on March 1. We are now working on a 20 minute draft of the speech, which we will get to you on Friday afternoon. That way, there will be a draft available if you decide to give a full speech; if you decide instead to make brief remarks, you can cut the text.

I am sending this memo to outline the approach we are taking to the speech, so that you can tell us if you would like us to change direction.

The speech should have three purposes:

- 1st, to underscore your commitment to reforming government and making it work better;
- 2nd, to establish that the civil service reform/reorganization package (1st comprehensive overhaul of federal civil service ever) will be your primary 1978 government initiative to improve government performance;
- 3rd, to explain the basic features of the civil service package and generate press and public support.

A rough outline of the speech would include:

1. Introductory remarks on need to make government more competent and responsive.
2. We are proceeding on all fronts to meet the need--
 - integrity and openness measures
 - administrative reforms (OSHA, EEOC)
 - regulatory simplification and paperwork reduction reform measures
 - structural reorganizations

3. Most fundamental area for action this year--not before addressed by any President or any Congress--make over the system which determines how well federal employees do their work.

4. What is wrong with the system?

-- Two criticisms:

-- Employees receive inadequate protection against political abuse;

-- Employees are overprotected and have no incentive to perform with excellence.

-- Two criticisms seem mutually contradictory, but both are right, and my plan for reform is addressed to both problems.

5. Explanation of basics of proposal

-- Splitting of Civil Service Commission, to assure independent protection of employee rights, and effective personnel management policy setting for the Executive Branch.

-- Senior Executive Service, to assure that federal government has first rate top managers to handle enormous responsibilities which have been thrust upon it.

-- Less reward for mere longevity, more reward for good performance for federal managers and supervisors.

-- Speedy and fair disciplinary procedures, to eliminate the red tape and delay which now has the effect of denying justice and degrading the credibility of sound performance standards.

-- decentralizing personnel decision-making authority in many areas, to further cut red tape and needless delay.

- 3 -

- reduce current, excessive application of the veterans preference principle, to end rigidities in recruitment process, and to promote opportunities for women and minorities.

Approve _____

✓

Disapprove _____

See me _____

cc: Stu Eizenstat
Hamilton Jordan
Jody Powell
Alan Campbell
Harrison Wellford
Wayne Granquist
Steve Simmons

*Abbreviate to
15 minutes
J*

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: PUBLIC OPINION POLLS -
PRESIDENCY AND CONGRESS

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
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	CLOUGH
	FALLOWS
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	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 21, 1978

ADMINISTRATIVELY CONFIDENTIAL
NOT FOR CIRCULATION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

After conversations with Pat Caddell and a number of other people, I am convinced that your rating in the public opinion polls is increasingly a function of your relations with Congress and their capacity to pass legislation. While that is to some extent inevitable, your Presidency risks being measured just by legislative accomplishments.

I believe that is dangerous because Congress, in my estimation, has become increasingly unwilling to tackle the tough, substantive issues we have presented and will continue to present throughout your Administration.

I think that it is therefore critical that we attempt, to define as much as possible your success as President in non-legislative terms while, of course, continuing to pursue our legislative program with all our resources. (Our legislative record is in fact much better than we have received credit for, and we need to continue to publicize those accomplishments).

There are two areas where non-legislative actions may bear fruit. The first area is foreign affairs, where much can be done without Congressional approval, and where, even in instances where Congressional approval is needed, we still have greater control than in domestic affairs. The second area is executive/administrative action in the domestic areas, which does not require Congressional approval.

ADMINISTRATIVELY CONFIDENTIAL
NOT FOR CIRCULATION

- 2 -

In that area we have an enormous opportunity to show real action and achievement without the need to struggle with Congress. Additionally, much of the executive action that can be taken would relate to government reform and would thereby fit nicely with your concentration on that subject and with the country's anti-government mood.

After talking with a number of people in the Executive Branch, I believe that we could provide you with regular opportunities to make brief statements on administrative actions being taken to improve government efficiency and eliminate unneeded government regulation. Through such regular statements (which would range from such things as the Executive Order mandating sunset review of regulations to the elimination of unnecessary OSHA rules) you can become much more identified with government reform than you presently are. Given the country's mood, that identification should redound in the polls. More importantly, the sense of Presidential action, control and leadership can be regularly demonstrated.

I would like your approval to work with Hamilton, Jody, Frank, Jim McIntyre and Charlie Schultze (who is chairing the Regulatory Analysis Program), to begin to develop a capacity for producing worthwhile executive initiatives which Jody then can use to focus public attention on the achievements involved.

Approve ✓ Disapprove _____ Other _____

cc: Hamilton Jordan
Jim McIntyre
Frank Moore
Jody Powell
Charlie Schultze

*To work with
others on a plan
of action*

J

THE PRESIDENT HAS SEEN.

2:15 PM

THE WHITE HOUSE

WASHINGTON

February 20, 1978

MEETING WITH BRUCE LLEWELLYN

Tuesday, February 21, 1978
2:15 p.m. (10 minutes)
The Oval Office

From: Hamilton Jordan *HJ*

I. PURPOSE

To interview him for position as President of Overseas Private Investment Corporation (OPIC).

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: You cleared him for nomination as President of OPIC in October, 1977 (see *B* attached). His nomination has been delayed due to his preoccupation with New York City social problems and the extensive damage done to his grocery chain during last summer's power failure in New York City. He has now recovered from this and is focusing on OPIC position and wishes to discuss it with you.

B. Participants: Bruce Llewellyn

C. Press Plan: White House photographer

III. TALKING POINTS

1. Llewellyn has not undergone an FBI investigation yet, so your commitment to him should take this into account.

The paper at Tab A gives you a brief summary of the status of the OPIC appointments and information on Mr. Llewellyn.

Bruce Llewellyn, Proposed Nominee as President of
the Overseas Private Investment Corporation (OPIC)

On October 3rd you approved various appointments for OPIC, including Mr. Llewellyn. While the others have proceeded with clearances, his nomination has been delayed because of his preoccupation with New York City social problems and the extensive damage done to his grocery chain during the power failure in New York City last year. In addition his nomination was delayed pending passage of legislation modifying and extending OPIC's operating authority, and pending a firm commitment by him to accept. The OPIC legislation passed the Senate in late October. Final House action was delayed following two days of debate in November; the vote now is scheduled for February 22. Llewellyn could assure the Black Caucus of your intention to nominate him as a result of this meeting, and thereby assure Black Caucus support of the legislation.

Mr. Llewellyn is President of One Hundred Black Men, a New York City black businessmen's organization, and President of Fedco Foods Corporation, a chain of grocery stores he bought in 1969. For several months he had indicated he would not make a final decision on OPIC until he had an opportunity to talk to the President. However, he had wanted to clear up some of his New York financial matters, before talking with the President. In view of the vote now scheduled, the matter should now be settled between the President and Mr. Llewellyn. The main issue is whether the President feels after meeting with Mr. Llewellyn that he wishes to reaffirm his wish to have him accept the Presidency of OPIC. Both Gilligan and Rutherford Poats continue to be impressed with him and recommend final approval.

B

PRESIDENT (PAS, Level III)

The number one problem with OPIC is that in the past it has not been headed by someone who is both sympathetic to the original goals and who is an effective administrator. James Bruce Llewellyn is someone who will solve this problem for us.

Llewellyn is a small businessman from New York City who is known as an aggressive administrator. He is a large, forceful person who has an excellent record of taking over an enterprise during rough times, bringing in first rate people, and turning things around.

As President of One Hundred Black Men, Inc., an organization of black small businessmen, he has also been exposed to the problems facing a large number of small businessmen. Llewellyn has travelled abroad extensively, and it can be expected that Llewellyn will be more sensitive than past presidents of OPIC have been to the needs of Third World and other developing countries.

Governor Gilligan and Rutherford Poats, the acting president of OPIC, have interviewed Llewellyn and have found him to be quite impressive. Governor Gilligan has written of his enthusiastic support for Llewellyn.

TC

J. BRUCE LLEWELLYN

Comments of John Gilligan, Administrator, A.I.D.

In J. Bruce Llewellyn, I believe the President will have an unusually bright and forceful man who will serve him and the American people well.

I was very impressed with him as an articulate, intelligent, and forthcoming individual.

I would strongly endorse his nomination as the President of OPIC.

Comments of John Whitehead, Co-chairman, Goldman, Sachs & Co.

He is terrific. A strong, fine, well-motivated businessman.

His principle business is the Fedco grocery stores that he operates in the minority areas in New York City. That is a tough, tough business to make work well and he has made it a successful business that has grown well. It is one of the largest minority businesses in the country.

Bruce is a good administrator by the sheer force of his personality. He is a commanding person -- 6'6", about 250 pounds. He is the inspirational type. His organization may be fuzzy but it is effective. He is very widely known and well respected in New York.

Comments of Hodding Carter, Assistant Secretary of State for Public Affairs

Llewellyn is an imposing figure. He is extremely well-known in New York City. He is President of One Hundred Black Men, Inc., and he was the first major black figure in the East for Jimmy Carter.

He is first rate, intelligent, very able, independently wealthy, and he knows foreign investment.

J. BRUCE LLEWELLYN

Comments of Howard Samuels, New York City

He is a very tough, successful businessman-entrepreneur. He has excellent administrative experience.

He has the potential to be in an executive position in the administration on a policy-making level. I know him fairly well but not well enough to know if he has any international experience.

He and I were in a controversy a few years ago. I fired a black vice-president and he called me to the mat. I don't like being called to the mat. Llewellyn set up a meeting I attended and things worked out pretty well. He did conduct everything in a business-like, professional manner.

He is a smart, cold kind of guy. Not dishonest in any way.

Comments of Walter Paige, President, Morgan Guaranty Trust

Bruce is a first class black businessman. He has really done some pioneering, and he has done a heck of a good job. He is President of the One Hundred Black Men, Inc., in New York City, which is the best in the city and the state.

He was very inspirational when he took over the Chairman of the Board at the Freedom National Bank. It is the leading black bank. It came into very hard times, but the black community could not let it fold, so Bruce came in. He brought in Hugh Feise as President and the bank is making money. He did a terrific job.

You have here an outstanding man. He has extremely good judgement of people, and of qualities of people. He knows the black and the white business communities. I trust him.

J. BRUCE LLEWELLYN

Comments of Eleanor Holmes Norton, Chair of EEOC

He is known nationally. He has extraordinary energy. He is a strong, aggressive leader. Llewellyn has had to, and has, worked hard for what he has. He has keen intelligence, and he is diplomatic and sophisticated in his manner.

His business background is impressive. He started into business without any headstart and he has acquired a fine reputation in the business community. While continuing his supermarket business, he took over the Chairman of the Board at the Freedom National Bank when it got into trouble. He pulled that out, put it together while still doing everything else.

He has good judgement and the ability to find talented people to assist him. He is hard-headed and knows how to say no.

He is the key to everything that happens in the black community in New York.

JAMES BRUCE LLEWELLYN
7 Sigma Place
Bronx, New York 10471

Business
540 East 170 Street
Bronx, New York
(212) 681-1500

PERSONAL INFORMATION

Birthplace: Bronx, New York

Date of Birth: July 16, 1927

EDUCATION

New York Law School; LLB and JD; Member, New York State Bar

City College, BS

Columbia Graduate School of Business

New York University School of Public Administration

Engineer Officer's Candidate School, Fort Belvoir, Virginia - Graduate

PROFESSIONAL EXPERIENCE

1969 to Present

President
Fedco Foods Corporation
540 East 170 Street
Bronx, New York

Supermarket chain consisting of 16 stores located in Manhattan and The Bronx, doing \$40 million business and employing more than 475 persons.

1967 to 1969

Deputy Commissioner
Department of Rent and Housing Maintenance
Housing and Development Administration
New York, New York

Coordinated and supervised all activities and programs of the Office of Special Improvements, designed to cope with the bad building problems of New York City.

1966 to 1967

Executive Director
New York Small Business Development Center, Inc.
New York, New York

Coordinated and supervised all activities of 5 small business development centers located in New York City.

1965 to 1966

Regional Director
U.S. Small Business Administration
New York, New York

In charge of the 29 southern counties of New York State for all loan and management assistance programs. Approved loans of up to \$350,000 and issued Certificates of Competency for government contractors.

May 1965 to
July 1965

Executive Director
Upper Manhattan Small Business Development Corporation
New York, New York

Screened loan applications and applicants seeking business loans under Title IV of the Economic Opportunity Act of 1964; arranged for management assistance, conducted research for business opportunities; participated in job development programs and economic development promotion.

1962 to 1965

Assistant Director of Housing
New York City Housing and Redevelopment Board

In charge of code enforcement of the 23 urban renewal areas designated by the Board of Estimate and Taxation

1959 to 1965

Owner/Manager
H. A. T. Corporation

PUBLIC AND CIVIC ACTIVITIES

Past Chairman
Member of the Board

Freedom National Bank

Board Member

Urban National Corporation

Past Chairman
of the Board

Coalition Venture Capital Corporation

President

One Hundred Black Men, Inc.

Past Co-Chairman
Board Member

Interracial Council for Business Opportunity

Board Member

Tuberculosis Association of New York

Member

New York Bar Association

Board Member

New York Urban Coalition

Treasurer

South Bronx Overall Economic Development Program

Vice President
Board Member

Federation of Protestant Welfare Agencies

Board Member

Blue Cross, Blue Shield

Board Member

New York City Industrial Development Agency

Board Member

New York Medical College, Flower 5th Avenue
Hospital

Board Member

Children's Television Workshop

Board Member

Mayor's Temporary Commission on Finance

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 20, 1978

BRIEFING ON THE PANAMA CANAL TREATIES FOR
NEBRASKA

Tuesday, February 21, 1978
3:15 P.M. (15 minutes)
The East Room

From: Hamilton Jordan H.J.

I. PURPOSE

To inform them fully on the details of the Treaties and to answer whatever concerns they may have.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Zorinsky asked you for this briefing since we had never held a Panama briefing for Nebraskans.

B. Participants: A cross section of citizens from various professions and regions of the state of Nebraska. Senator Zorinsky helped us with the invitation list.

C. Press Plan: No press coverage.

III. TALKING POINTS

You regular presentation will be appropriate.

attachments:

Agenda
List of Invitees

AGENDA

Tuesday, February 21, 1978

1:30 P.M.	Welcome	Ambler Moss Deputy Assistant Secretary of State
1:35 P.M.	Description of the Treaties	Ambassador Sol <u>Linowitz</u>
2:10 P.M.	National Security View	John <u>Stetson</u> Secretary of the Air Force General Bernard W. <u>Rogers</u> Chief of Staff of <u>Army</u>
2:30 P.M.	Break	
2:50 P.M.	The Treaties in the Context of American Foreign Policy	Dr. Zbigniew <u>Brzezinski</u> Assistant to the President for National Security Affairs
3:15 P.M.	Remarks	President Carter

ATTENDEES

John Sullivan, Dairyman (Superior)

Thomas Potter, Bank (Lincoln)

Ann Steiner

Dr. Ross Horning, Professor of History, Creighton University

Dave Hosokawa, Managing Editor, Sun Newspaper (Omaha)

Janet Remmick

John McIntosh

Thomas A. Hollihan, doctoral candidate, University of Nebraska (Lincoln)

Lowell Zetterman, President, Nebraska State Education Association
(Lexington)

Edwin Hart, University Place Lions (Lincoln)

Ray Oltman

John J. Fricke, Minister, Trinity Cathedral Church (Omaha)

Thomas Perkins, Minister, Maplewood United Methodist Church (Omaha)

Robert Kafka, Representative for Cosm. Clubs for Nebraska (Omaha)

Earl Oliver, Jr., Financial Secretary, International Brotherhood of
Electrical Workers, Local 22 (Omaha)

Terry Moore, Omaha Central Labor Union (Omaha)

William R. McCormick (Bill), Teacher, Westside High School (Omaha)

Robert H. Wurdeman, President, Suburban Rotary (Omaha)

Robert M. Nelson, President, NW Rotary (Omaha)

Mr. and Mrs. Elliott Hechtman, Businessman and Housewife (Omaha)

Attendees

Page 2

Joel H. Lederman

Dr. John McQuinn, Principal, Bryan High School (Omaha)

Dr. Edward Klima, Principal, Burke High School (Omaha)

Dr. Gaylord Moller, Principal, Central High School (Omaha)

Harold Reeves, Principal, North High School (Omaha)

Jack Hallstrom, Principal, Northwest High School (Omaha)

Dr. Leonard Hanson, Principal, South High School (Omaha)

Odra W. Bradley, Principal, Technical High (Omaha)

Dr. James Tangdall, Principal, Westside High School (Omaha)

Sanford H. Nelson, Principal, Lincoln High School (Lincoln)

Greg Johnson, Student President, University of Nebraska at Lincoln (Lincoln)

Rick Williams, Student President, NWU (Lincoln)

Norman Krivosha, Attorney (Lincoln)

Glen James, Cornhusker Optimist (Lincoln)

Oscar Clark, Lincoln Rotary President (Lincoln)

Franklin Eldridge, Rotary Northeast (Lincoln)

Tom Erixon, State Employee (Lincoln)

Rex King, CWA Leader (Lincoln)

Yale Gotsdiner, Businessman (Lincoln)

Louis K. Emery, Retired Union Official (Lincoln)

Ted Kessner, Bar Association (Lincoln)

Larry Pickering, BPO Elks President (Lincoln)

Marvin Jewell, Accountant (Lincoln)

Robert Manifold, Vet's Employment Representative (Lincoln)

Jim Humlicek, Carter Coordinator, State Employee (Lincoln)

Dick White, State Democratic Chairman (Lincoln)

Kenneth King, S & L Executive (Lincoln)

Karl E. Dickinson, Banker (Lincoln)

Mrs. Edward A. Carusi, Housewife (Omaha)

Mrs. Barbara A. Smith, Real Estate Broker, Yutan Business Association
(Yutan)

Kat Mosher, Nouvell Eve, Old Market

Kim Yelkin, Law Student, Creighton (Omaha)

Victor G. Meyers, Secretary Treasurer, AFL-CIO (Omaha)

Reuben Snake, Winnebago Tribe of Nebraska (Winnebago)

Allan Jay Garfinkle, Attorney (Omaha)

Tim McNally, Student, Y. D. Chairman (Omaha)

Ed Robinson, Businessman (Omaha)

J. Duane Haywood, Area Director, CWA (Omaha)

Florine Koole, CWA Official (Omaha)

Ralph Scalzo, Labor Official (Omaha)

Helen Greene, Chairman, Democratic Party in area (Omaha) (Greenwood)

Don Geis, Salesman (Lincoln)

Linda Lewis, Teacher (Bellevue)

Mrs. Edmae Swain, Retired Educator (Omaha)

Mrs. Johnnie Mae Hayden, Housewife (Omaha)

A. B. Pittman, Doctor (Omaha)

Ambrose Jackson, Architect (Omaha)

Leon Evans, President of Community Bank (Omaha)

Bob Boozer, Basketball, Northwestern Bell

Bernice Dodd Stephens, Omaha Industrial College

Al Goodwin, Urban Business Foundation (Omaha)

Bob Armstrong (Omaha)

Charles G. Smith, C. G. Real Estate Company (Papillion)

Steve Rosenblatt, City of Omaha, President, City Council (Omaha)

Mrs. Thomas Leary, Omaha Symphony Board President (Omaha)

Robert Armstrong, CETA, City of Omaha

Mr. and Mrs. Paul F. "P. J." Morgan, Real Estate (Omaha)

Larry Traudt, President, Nebraska Jaycees (Lincoln)

Dr. Harold Blostein, Nebraska Political Science Association (Kearney)

Ralph H. Taylor, Architect (Omaha)

Don Walton, Reporter, Lincoln Star (Lincoln)

Dr. J. Brad Chapman, University of Nebraska (Omaha)

Albert Davis, Cattle (Hyannis)

James Monahan, Cattle (Hyannis)

Glen Ilgenfritz, Radio Station Manager (Fremont)

Attendees

Page 5

State Senator Barry Reutzel, Businessman (Fremont)

State Senator Elroy Hefner, Agriculture (Coleridge)

Philip Kreutz, Bank (Giltner)

Merle Anderson, Registered cattle (Hastings)

Phil Hort, Agriculture (Lyman)

E. J. McBride, Feed grain (Bluehill)

Mrs. Mary Elizabeth Mitchell, Insurance, Real Estate (Ogallala)

Dan Morgan, Cattle, Education (Burwell)

John P. Murphy, Attorney (North Platte)

Terry Pesek, Industrial Piping and Valving (Waterloo)

Mrs. Jane Rauner, Wheat (Sidney)

Doug Sanford, Vending, Cattle (Valentine)

John Sullivan, Wheat (Wallace)

Bob E. Olson (Columbus)

Jim Wolf (Albion)

John Knight (Bellevue)

Fred Cassman, Attorney (Omaha)

Bruce Peters, Labor (Fremont)

Larry Bowley, Cattle, Gasohol (North Platte)

James A. Kelly, Attorney (Grand Island)

Al Dickey, Truck Driver, Omaha World Herald (Omaha)

V. J. Skutt, Chairman of the Board of Mutual of Omaha (Omaha)

Anne Batchelder (Omaha)

Mrs. Betsy G. Davidson (Omaha)

Dr. Del D. Weber, Chancellor, University of Nebraska at Omaha
(Omaha)

Dr. Larry Trussell, Dean of the College of Business Administration,
University of Nebraska at Omaha (Omaha)

Dr. Roy A. Young, Chancellor, University of Nebraska at Lincoln (Lincoln)

Donald Igel (Dr.), DDS (Omaha)

Dr. Earl Greene (M. D.) (Omaha)

Dr. James Dinsmore (M. D., Orthopedic) (Omaha)

Mrs. Warren Buffett (Susie) (Omaha)

Tom McFarland, Secretary Treasurer, General Drivers and Helpers
Local Union #554 (Teamsters) (Omaha)

Rabbi Sidney H. Brooks (Omaha)

Father Robert Hupp (Boys Town)

Jack MacAllister, President, Northwestern Bell (Omaha)

Frank E. Blazek (Omaha)

John Estabrook, Nebraska Methodist Hospital (Omaha)

Rodney Shkolnick, Dean, Creighton University (Omaha)

Sandra Matthews, Metropolitan Arts Council (Omaha)

Marvin K. Robinson, President, Marve Robinson and Associates (Omaha)

John W. Godfrey, President, Upland Industries Consultant (Omaha)

William E. Ramsey, Vice President, Deputy Director for Development,
Boys Town (Omaha)

Roy H. Moeller, Farmer (Beemer)

J. Paul McIntosh, Past President, State School Board Association
(Norfolk)

Darryl Naumann, Farmer, Writer (Holdrege)

Merle Hansen, Farmer (Newman Grove)

Ralph Lubeck, Farmer (Stamford)

Wayne Anderson, Veterans of Foreign Wars (Stuart)

Dave Duren, NPPD Accountant (Columbus)

Pat Duncan, County Attorney (Franklin)

V. A. Walstrom, Veterinarian (Verdigre)

John M. Paris (Crawford)

Russell Edeal, Farmer, NRD Board (Loomis)

Wayne Lamprecht, Trucking, Farmer (Ponca)

Clyde Burdick, Carter Coordinator, State Employee (Ainsworth)

Steve Flader, Teacher (Geneva)

Dennis Lichty, President, Nebraska Education Association (Plainview)

David Duey, Banker, Cass County Bank (Plattsmouth)

William P. Avery, Political Science Professor, University of Nebraska
at Lincoln (Lincoln)

Mrs. Betty Olson, Nebraska for Peace Organization (Lincoln)

Richard White, Chamber of Commerce President (Lincoln)

David Tews, Attorney (Lincoln)

Mrs. David Dow (Breta) (Lincoln)

Peter Urdiales, Executive Director, Mexican American Commission
(Lincoln)

Ted Reeder, Ted Reeder Construction Company (Omaha)

Virgil Ritnour, Apartment Owner (Omaha)

Robert Epstein, Businessman, Omaha Paper Stock (Omaha)

Mike Hogan, Real Estate (Papillion)

Ron Henningsen, Daily Record (Omaha)

Jack L. Katz, Public Relations (Omaha)

Harold E. Grove, Developer (Omaha)

Gerald Hoberman, President, Tires, Inc. (Omaha)

Dr. Benton Kutler, Dentist (Omaha)

Boniface McGuire (Omaha)

Eli Schupack, McDonald's (Omaha)

Mrs. William W. Lyons (Phillys), Chairman, Nebraska Democratic
Women's Organization (McCook)

Connie Sixta, Nurse (Fremont)

Beverly A. Housel, Nebraska President, League of Women Voters (Bee)

Mayor Carl Bieber (North Platte)

Steve Lewis, Student Government Association President, Peru State
College (Peru)

Ray Brown, Businessman (Broken Bow)

Dwight Dam, Rancher (Valentine)

Joyce Sutton, Housewife (Blair)

Mrs. Grace Kuhl, Psychologist (Omaha)

Al Veys, Mayor (Omaha)

Mrs. Robert Steiner (Omaha)

Don Lintz, National Guard Enlisted Men's Association (Beatrice)

Steve Murphy, News Director, WOWT (Omaha)

Dave Henderson, News Director, KE-TV (Omaha)

(Mr.) Pat Kelly, News Director, WOWO Radio (Omaha)

Walt Kavanagh, News Director, KFAD (Omaha)

Frank P. Fogarty, Nebraska Broadcasters Association (Omaha)

Duane Watts, Station Manager, KHAS-TV (Hastings)

Jerry Dishong, Station Manager, KDUH-TV (Hay Springs)

James D. Johnson, Station Manager, KGHI-TV (Kearney)

A. James Ebel, Station Manager, KOLM-TV (Lincoln)

Ed Nicholls, Manager, Associated Press (Omaha)

Jon Sweet, Manager, UPI (Omaha)

Ulysses Carlini, Manager, KNOP-TV (North Platte)

Ken Elkins, Manager, KE-TV (Omaha)

Bill Brennan, Manager, KSTF-TV (Scottsbluff)

James Smith, Manager, WOWT (Omaha)

Arlyne Smith

Attendees

Page 10

Marc W. Anthony, Scottsbluff Star Herald (Scottsbluff)

Donald E. Wing, North Platte Telegraph (North Platte)

Robert S. Ayres, Kearney Hub (Kearney)

Andy Montgomery, Lincoln Journal (Lincoln)

Darwin Olafson

Keith Blackhedge

Mr. and Mrs. Michael Shaughnessy (Collette) (St. Paul)

Eugene Leahy (Omaha)

Mickey and Ralph Staley (Omaha)

Jill Ryan (Omaha)

Ruth Jackson (Omaha)

Mrs. Marietta McCarthy (Omaha)

Diane Withem

Tommy Kelly (Omaha)

Robert Bass (Omaha)

Ann Margaret Ulrich (Bellevue)

Lou Lamberty (Omaha)

Mr. and Mrs. Joseph Shaughnessy (Diane) (North Platte)

Dan Lynch, President of National Association of Counties (Omaha)

Allen O'Donnell (Wayne)

Craig Starr, Senator Zorinsky's staff

Jim Malin, Senator Zorinsky's staff

3:45 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C
✓

ECONOMIC BRIEFING FOR HISPANIC LEADERS

Tuesday, Feb. 21, 1978

3:45 pm (15 minutes)

State Dining Room

From: Joe Aragon JA

I. PURPOSE

To meet with about 60 Hispanic leaders from throughout the country and discuss your tax and economic package.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: As part of the White House effort to develop closer, more positive working relationships with the Hispanic community we have been looking for issues and settings where the Latin leadership can be brought in. In the case of the Panama Canal treaties and the undocumented worker policy, for example, Hispanic leaders were brought in for briefings and consultation. The economic and tax briefing offers another excellent opportunity of this kind.

Nevertheless, numerous individuals from the Latin community have voiced the concern that there has been too little direct contact between them and you. As a result, pressure has been building for meetings with you.

One person who recently requested such a meeting in a somewhat strident way was Carmela Lacayo. She wanted a meeting between you and fourteen Latin "leaders" to air their complaints. For several reasons, Tim Kraft, Hamilton and I did not believe the contemplated gripe session would either be productive or would be politically representative of the Latin community.

Instead we proposed having you drop in on the economic briefing. The format will be a substantive one that will allow the participants (about 60 in number) to focus on a specific and highly important issue: the economy.

I should point out that Tim and I carefully selected this group in an effort to give us broad political representation. Many of the attendees either worked on your behalf during the campaign or were strong supporters. Seeing you will mean a great deal to them. Several of your high level appointees will also be present.

B. Participants: Hamilton Jordan, Stu Eizenstat, Charles Schultze, Secretary Ray Marshall, Jim McIntyre, Joe Aragon. List of invited guests attached.

C. Press Plan: WH photo session.

III. TALKING POINTS

1. You are glad to be among friends and there are many present whom you know worked hard for your election.
2. Two years ago as you campaigned in California, Texas, New York, Florida and the many states where Hispanics live, you and your friends in the audience came to believe that Hispanic-Americans should be brought closer to the decision making processes of the government.
3. You believe that Hispanic-Americans have an important role to play in the formulation of national domestic policy (as in the case of undocumented workers and the economic recovery program) as well as in the formulation of foreign policy (e.g. the Panama Canal treaties).
4. You have also tried to demonstrate this through your appointment of Hispanics to government, by assigning them broad responsibilities and not shunting them off to narrow, ethnically oriented jobs.
5. In short, you believe that Hispanics have a right, and are superbly qualified to be entrusted with the business of the American people.
6. That is why you appointed a Mexican-American as the first Hispanic U.S. Attorney in the history of the state of Texas, and also appointed the first Hispanic Director in the history of the Immigration and Naturalization Service along with 90 other talented Hispanics to significant government positions and commissions; including 5 assistant secretaries and 5 ambassadors, an unprecedented number.
7. It is more than fitting that your first meeting with Hispanic leaders this year should focus on the economy. Your proposed economic and tax plans will mean more jobs, lower taxes, more net income and greater economic stability for millions of Hispanics in this country. After all, this is the issue that is uppermost in the minds of the Spanish-speaking community of this country.
8. You know that there are other issues of great importance and concern to those present. But you fully intend to meet with Hispanics again during the course of the year to discuss those other issues. You look forward to those meetings.

AGENDA

2:00 PM - Greeting; Introduction of Hamilton Jordan
(Joe Aragon)

2:01 PM - Welcome (Hamilton Jordan)

2:05 PM - Introduction; Tax Cut; Tax Reform; Q&A
(Stu Eizenstat)

2:30 PM - Jobs Program; Q&A (Secretary Marshall)

2:55 PM - Coffee Break

3:05 PM - Budget Overview; Q&A (Jim McIntyre)

3:30 PM - Anti-inflation Program; Wrap-Up; Q&A
(Charlie Schultze)

3:45 PM - The President

4:00 PM - Closing (Joe Aragon)

THE WHITE HOUSE

WASHINGTON

February 17, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, GRIFFIN SMITH

SUBJECT: Dropby at Economic Briefing for Hispanic Leaders

This is a ten-minute "drop-by" near the conclusion of a conference of Hispanic leaders from all over the country. The 60 to 65 people in attendance will include Mexican-Americans, Cuban-Americans, and Porto Ricans. Many of them were active in your campaign.

Graciela Olivarez and some other Hispanic-American members of your Administration feel you might do best downplaying the Hispanic-American nature of this audience and speaking generally about your economic policy. Joe Aragon has recommended more of a Hispanic emphasis.

1. You are glad to be among friends, and as you look around the crowd you see the faces of a number of people who helped you get elected. A conference like this one is a reminder of what all of us -- you and your audience -- sought to achieve in the way of improving communication between the White House and Hispanic Americans. Two years ago, as you campaigned in Florida and Texas and California and all the other states, you and your friends in the audience shared a belief that Hispanic Americans had valuable advice and counsel to offer, and now you are together again, here in the State Dining Room, seeing that dream become a reality.

2. This meeting is just one example of the ways your Administration's policy makers are being brought closer to Hispanic Americans. Last month, for example, Jody Powell and Hamilton Jordan and the other top members of your senior staff met in the Roosevelt Room with young Hispanic leaders for a frank exchange of views. And you will be having other meetings this year at the White House that will give you personally the chance to discuss topics other than economics with Hispanic leaders; this meeting today is not a one-time affair, because you know there are other questions besides economics that can be fruitfully discussed.

3. Nevertheless, it's fitting that this first meeting concentrate on economic policy, because the single most important domestic question facing our country is the need to continue and broaden the economic recovery of 1977. That is why you have proposed a strong economic package -- tax reform, tax cuts, cooperative anti-inflation measures, and jobs programs to help those who are hit hardest by unemployment. Your audience has heard many details from many Administration spokesmen, but the important thing for them to keep in mind is that the proposals are deliberately designed to fit together as a package.

Economic policy is a matter of careful balance -- between different goals, different dangers, and the legitimate interests of different groups. This program gives us our best opportunity to strike that balance successfully -- so that we can sustain growth without aggravating inflation, so that we can cope with the special problems of each of our nation's regions, so that

we can take a first step toward tax reform while still cutting taxes this year. We can only maintain that balance if we view these elements as a whole -- and explaining them as a whole is the main purpose of this meeting today.

#

PARTICIPANTS

PARTICIPANTS

ALEX ABEYTA, New Mexico

RICHARD ALATORRE
Assemblyman, California

JORGE BATISTA, President
Puerto Rican Legal Defense
and Education Fund, New York

SERGIO BENDIXON, Aide to
Congressman Lehman (Florida)

JOSE CABRANES, Legal Counsel
Yale University, Connecticut

ANGELA CABRERA, Office of
the Governor (New York)

MARC CAMPOS, Texas Democratic
Party

LEONEL CASTILLO, Commissioner
Immigration & Naturalization

FABIAN CHAVEZ, Assistant
Secretary, Dept. of Commerce

MIRIAM CRUZ, Assistant to the
Mayor, Chicago

HENRY CISNEROS, City Council
San Antonio, Texas

RAFAEL CORONA, Florida

MARGARITE DUPONT, Chairperson
National Economic Development Assoc.

ALFREDO DURAN, Chairman, Florida
Democratic Party

LAURA DEHERRERA, State Representa-
tive, Colorado

THOMAS ESPINOSA, Arizona

MAURICE FERRE, Mayor, City
of Miami, Florida

TIM FLORES, Labor Council
for Latin American Advancement,
Colorado

RAQUEL FRANKEL, Congressional
Hispanic Caucus, Washington, DC

PAUL FELICIANO, State Representative,
Kansas

HERMAN GALLEGOS, California

ROBERT GARCIA, Congressman-Elect,
New York

MAIT GARCIA, State Representative, Texas

HECTOR, GARCIA, Founder American GI
Forum, Texas

ALFREDO GUTIERREZ, State Senator, Arizona

IRENE HERNANDEZ, Cooke County Commissioner,
Chicago

ROBERT HERNANDEZ, City Councilman, Kansas
City, Missouri

EDWARD HIDALGO, Assistant Secretary, Dept.
of the Navy

CARMELA LACAYO, Vice Chairperson, Demo-
cratic National Committee

LUIS LAUREDO, Dept. of Commerce, State of
Florida

LUIS LEGASPI, Board of Supervisors, El
Centro, California

JOE EDDY LOPEZ, Arizona

FRANKLIN LOPEZ, Puerto Rico

BEVERLY LUCERO, New Mexico

CHARLES LAFONT, Puerto Rico

JOHN LASSEVILLE, Florida

DAVID LIZARRAGA, East Los Angeles
Community Union, Los Angeles, California

ARABELLA MARTINEZ, Assistant Secretary
Dept. of Health, Education & Welfare

BILL MEDINA, Assistant Secretary, Dept.
of Housing and Urban Development

ALEX MERCURE, Assistant Secretary, Dept.
of Agriculture

JOSEPH MONTOYA, Assemblyman
California

RALPH OCHOA, Office of the
Speaker of the House, State
of California

GRACIELA OLIVAREZ, Director
Community Services Administration

ARNOLD PACKER, Assistant Secretary
of Labor

EDWARD PASTOR, Board of Supervisors
Maricopa County, Arizona

ANA MARIA PERERA, National Association
of Cuban American Women, Washington, DC

LORENZO PATINO, Attorney, California

CAMILO PADREDA, Florida

ANDRES PEREZ, Casa del Carmen
Philadelphia, Pennsylvania

JESUS RAMIREZ, City Manager,
San Juan, Texas

MARIA RAMIREZ, Dept. of
Education, State of New York

ANN RAMIREZ, Office of
Cong. Anderson, California

BEN REYES, State Representative
Texas

PAUL ROJAS, State Representative,
Missouri

MANOLO REBOSO, Vice Mayor
Miami, Florida

EDWARD ROMERO, New Mexico

ALFONSO ROMAN, Congreso Boricua
de New Jersey

ELISA SANCHEZ, Mexican American
National Women's Association,
Washington, D.C.

EDWARD SANDOVAL, Mexican American
Political Association, California

JOSE SERRANO, Assemblyman, New York

SINGER, VILMA MARTINEZ, President,
Mexican American Legal Defense and
Education Fund, California

ART TORRES, Assemblyman, California

RUBEN VALDEZ, State Representative,
Colorado

CARMEN DELGADO VOTAW, President, National
Association of Puerto Rican Women

BLANCA SMITH, Council of Spanish-Speaking
Organizations of Lehigh Valley, Penn-
sylvania

ERNEST CAMACHO, California

RAY CABALLERO, Texas

912

THE WHITE HOUSE
WASHINGTON
February 21, 1978

Peter Bourne

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: REPORT OF THE WORLD HUNGER
WORKING GROUP

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
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<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE PRESIDENT

THE WHITE HOUSE

WASHINGTON

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: PETER BOURNE ^{P.B.}

SUBJECT: REPORT OF THE WORLD HUNGER WORKING GROUP.

~~Attached~~ is a summary of the report prepared by the World Hunger Working Group involving 26 agencies which you asked me to chair.

The report analyses the major causes of hunger and malnutrition and identifies the key elements necessary to alleviate the problem. Present United States programs are reviewed and their shortcomings identified.

The report recommends the following:

- A clear concise statement of our overall policy, rather than the inferred policy from our present fragmented programs. ✓
- Presidential commitment that is unequivocal, and which is communicated clearly to the leaders of food deficient countries so they in turn will give it a similar priority. ✓
- Increasing production through the development of national food and nutrition plans, enhanced technical assistance, a general focus on the interrelated problem of object poverty, and reduced consumption through stabilization of population growth. *equitable distribution*
- Improved research, generally as recommended in the study by the National Academy of Sciences, with a shift in emphasis towards the problems of the developing world. ✓
- Commitment to a system of international food reserves to alleviate starvation during cyclical famines, and to stable prices during times of shortage. ✓
- Food aid. Present programs (P.L. 480) need to be revised so that they reach and have the greatest impact on the truly hungry people. ✓

- Trade and investment policies need to be made more favorable to the LDC's. ✓
- Expanded private sector involvement. Ambassador Young has proposed a multinational food corps which the group supports in principle, and which is currently being reviewed by the State Department. ✓

PGB:ss

~~Attachment~~

THE WHITE HOUSE

WASHINGTON

Was NOT SUBMITTED

SUMMARY OF THE REPORT
OF THE INTERAGENCY
WORLD HUNGER WORKING GROUP

INTRODUCTION

The President's memorandum of September 29 established a World Hunger Working Group charged with developing a set of U.S. Government policy options designed to make a significant impact on world hunger. We have actively sought the views of key agencies represented on the Working Group, the Congress, international organizations, and more than 150 individuals and institutions in the private sector, including farm, business, labor, religious and philanthropic groups. This summarizes the major findings which we hope can form the basis for a Message to the Congress at the time the President signs the Executive Order establishing the Presidential Commission on World Hunger.

THE NATURE AND SCOPE OF THE WORLD HUNGER PROGRAM

Hunger persists in the world today despite abundant harvests in the past two years. One person in six suffers from chronic hunger and malnutrition, which directly or indirectly cause nearly twenty million deaths each year. Seven hundred million people are seriously malnourished. Nearly half of them are children. In many countries children under five make up less than one-fifth of the population but account for four-fifths of the deaths. Cyclical famines, such as that which occurred in the Sahel in 1973-74, take in addition the lives of millions more. The specific causes of hunger vary from one country to another, as do the potential solutions. However, there are certain underlying contributing factors that exist worldwide.

- The world's readily arable land is reaching its limits.
- Untapped supplies of fresh water for irrigation are shrinking.
- Food production in developing countries barely keeps pace with population growth, so that most of the increases in food production are absorbed.
- Hunger is intimately linked with poverty, and only in rare instances has hunger been relieved without dealing with the general problems of underdevelopment.
- Pressure on total world food supplies is growing because of increased consumption in affluent nations.
- Distribution problems internationally and within countries are severe. Transportation systems in many developing countries remain rudimentary. Farmers in developed countries with only 30 percent of the world's population grow 60 percent of the world's food. Lower

income groups cannot afford adequate quantities of food.

- Land tenure patterns and persistent poverty discourage improving productivity in developing nations, by making the use of expensive fertilizers (the cost of which is tied directly to rising energy costs), pesticides and machinery economically inaccessible. At the same time, land in developed countries is reaching the limit at which these agricultural aids can increase production.
- Agricultural research overemphasizes temperate zone and cash crop agriculture, rather than food cropping needs in tropical zones. Also there appear to be no dramatic technical breakthroughs on the horizon to create another "green revolution".
- At least 15 percent of all food produced is lost post-harvest, due to poor storage and vermin.
- Optimistic projections that the seas would become an important new source of protein worldwide have been replaced by fear that we may be reaching the maximal sustainable limits, and overfishing is already starting to occur.

SOLVING THE PROBLEM

The problem can be solved. Reduced to a highly oversimplified form it involves the following elements:

- Although 49 countries are defined as food deficient, the majority of malnourished people in the world are in four countries (Indonesia, India, Pakistan and Bangladesh). Solutions aimed at these countries will therefore have the greatest impact on the total problem. With the exception of certain parts of Indonesia, where the population may already be expanding beyond the limits the land can support, these countries have the potential to substantially increase production of existing land under cultivation, and to solve their own problem by establishing a stable balance between food production and adequate consumption. An annual increase of 3-4 percent in agricultural production, a comparable 3-4 percent annual increase in the GNP, and most importantly, a stabilization of population growth can help achieve the goal by the end of the century. The critical element is establishing the commitment at the highest level in the governments of these countries. The key to the solution lies in their ability to mobilize the prestige and status of the political, ethnic and tribal power systems down to the lowest level around this issue, placing it ahead of all other priorities. In many countries this will require difficult decisions to redistribute assets.

- While it has received considerable publicity, the Sahel involves a relatively small part of the total problem. Unlike Asia, the primary food source is livestock products from grazing herds that have been devastated by cyclical severe droughts which dried up the grazing land. This has been compounded by a steady destruction of the forests for firewood, leading to the spread of the desert; and the use of animal dung (which should fertilize grazing land) in place of scarce firewood. Starving nomads are migrating to urban centers that are already unable to feed their populations. The solution here, unlike Asia, cannot be arrived at alone by the countries of the Sahel. A major international effort is necessary and is already underway. It involves reducing the devastating impact of the predictable periodic droughts by creating domestic and international food reserves, developing improved food grain production technologies for semi-arid areas, exploring for untapped deep water reserves, and developing surface water supplies, reversing the desertification process and shifting the food base away from a total reliance on grazing animals. As elsewhere, stabilizing population growth is critical.
- In many Latin American countries poverty and malnutrition surround pockets of great abundance. The problem is above all else one of internal distribution, and a need for recognition of social equality of all segments of the population. Racial, social and economic prejudice must be overcome. Overall economic growth and population control are important, but the fundamental solution again requires political will and difficult decisions.
- Increasing food supplies is almost synonymous with increasing the productivity of currently cultivated land in the developing nations. There are, however, a few places where the fertile new land can be brought under cultivation; the tsetse fly belt in Sub-Saharan Africa (assuming the tsetse fly can be eradicated), parts of the interior of Latin America, and most important, the Sudan. FAO estimates one billion hectares of "potentially arable" land. Exploitation of these resources could have dramatic regional effect since the Sudan could become a major breadbasket of Africa.
- Since World War II the United States has become the unchallenged global food supplier. While saving millions from starvation, U.S. policies may well have had the secondary effect of reducing the motivation to make the fundamental internal changes in developing countries that would lead to food self-sufficiency. In the future, food exports from the United States and the other major

producers; Canada, Australia, New Zealand and Argentina, should be used to deal with acute famine situations, and to stabilize world food prices. In particular, it should be used to reward those countries setting the highest priority on internal changes to increase food production.

- The ability to increase food production is not, as we have often believed in the past, dependent on either massive transfer of expensive technology with heavy energy consumption or highly trained technicians, but more upon appropriate incentives and the ability to develop culturally appropriate, generally village-level technology. There must be more willingness to wait for paid professionally-trained experts, even though they are important, and more emphasis upon the immediate use of simpler voluntary efforts stressing self-help and a sense of dedication similar to that which allowed the Chinese to overcome their food deficit.

STATUS OF CURRENT U.S. POLICIES

Our past and current efforts to address the world hunger problem have been marked largely by the lack of a cohesive policy and clear-cut goals. At the World Food Conference in 1974, we joined other food donor nations in pledging our support for a number of actions, but we have failed to do our part to provide sufficient leadership. Our problems in the past have arisen largely from our inability to separate our motivations and objectives with regard to world hunger from the domestically inspired need to dispose of large commodity surpluses.

At present our contribution to solving the world hunger problem involves five loosely associated strategies, all of which have been reasonably successful; but which have developed separately over time rather than as part of an overall policy.

- . Bilateral Development Assistance -- Aimed fundamentally at stimulating increased food production as part of overall development. Some earlier problems have been improved by the "New Directions" mandate established in the Foreign Assistance Act of 1973, which instructed the Executive Branch to:

- give priority to programs that benefit the poor majority;
- emphasize the needs of small farmers and activities that are labor intensive; and
- help expand access by the poor to local institutions.

- . Multilateral Institutions -- We have supported multilateral institutions working in the areas of agriculture, food and nutrition. These include the FAO, UN Development Program, World Food Program, UNICEF, the World Bank and other international financial institutions, the World Food Council, and the International Fund for Agricultural Development.
- . International Food Reserve System -- We have supported a system of nationally-held food reserves to stabilize world grain prices and to promote increased world food security.
- . Food Aid Through P.L. 480 -- This program has been successful in providing 265 million tons of food, valued at \$26 billion, to developing nations since first implemented in 1954. However, battles over administrative control, vulnerability to domestic grain prices rather than responsiveness to world hunger needs, profiteering by the wealthy and influential of developing countries, and use of the program as a tool for unrelated foreign policy objectives have severely compromised its effectiveness in reducing world hunger.
- . Negotiation of Trade Liberalization at the Multilateral Trade Negotiations in Geneva -- Reduction of tariff and non-tariff barriers on products of particular interest to developing countries are being sought in order to help them earn the foreign exchange with which to purchase necessary food imports and promote rapid and balanced growth.

SHORTCOMINGS OF PRESENT POLICIES

The President's recent decisions to double foreign aid over the next five years, and to target our assistance primarily to the poorest people throughout the world represent major steps forward in our ability to improve the effectiveness of the U.S. effort to deal with basic human needs, and particularly world hunger. However, major impediments remain.

- The longstanding and persistent intrusion of domestic agricultural and foreign policy priorities into our decisions regarding world hunger has been an impediment. While this is inevitable to some degree, at present our motivations are not only suspect but our strategy is often counterproductive.
- There has been no effective interagency coordinating mechanism for world hunger policy. There are 26 U.S. agencies involved directly or indirectly in world hunger and food issues. This mirrors the general problem of organizational structure and development assistance that Henry Owen is attempting to redress. The very serious coordination and policy formulation problems within the Executive Branch are reflected by the fact that the

Congress has assumed a leadership role in this area, producing the "New Directions" mandate, and more recently, the Humphrey/Case Bill.

- Some international organizations, especially FAO, have been generally ineffective and poorly administered, severely compromising their ability to bring to bear available resources in a coordinated strategy or capitalize on world concern about hunger. In addition, the Americans that we have assigned to those organizations have not always been of the highest caliber.
- There has been a failure by the United States and other nations to instill in the leaders of most developing countries the political will to give this problem a sufficiently high priority. This is improving, but remains the single greatest impediment to eradicating world hunger.
- The overall level of commitment of resources by the developed nations has been insufficient to meet the needs of developing countries necessary to produce the rate of change we would like to see in the well-being of the poor. The President's recent decisions and increased commitments by West Europeans will begin to remedy this, but more should be done.

PROPOSED STRATEGIES

Ideally our world hunger policy would be one that, (a) maintained our domestic farm prices at levels high enough to ensure continued expansion of production, (b) kept domestic consumer prices low, (c) enhanced our balance of payments, and (d) met humanitarian objectives in the nations where people are starving. Obviously any real policy must involve hard compromises in some or all of these areas. People in other countries understand the domestic dilemmas we face, and more than any specific commitment, they want from the United States a clear concise statement of our policy on world hunger, an understanding of the role the United States intends to play, and an affirmation of continuous and long-term U.S. support for alleviating the world food problem.

The key themes we should establish are:

- . The right to food is the most basic of human rights. The President is committed to providing the leadership to see that the problem is eventually solved. The President invites the leaders of other nations to join in giving this issue the highest priority.
- . The President is aware that this must be more than a short-term initiative, and therefore is making a long-term commitment

for the United States. There is some problem because of cynicism in the LDCs about our past commitments.

- . The key to solving the world hunger problem must be to increase food production in those countries where hunger exists. It is above all their responsibility to deal with their own problem.
- . Hunger cannot be separated from underdevelopment, poverty, disease and the need to stabilize population growth.
- . The United States will continue to provide food for the world, but will seek to do so in a way that is at a consistent predictable level, based on need and free from past vulnerability to transient political pressures.
- . We will seek to use our aid in a way that provides incentives to countries which insure that food reaches those who need it rather than those who can pay for it; which demonstrate the will to make the internal changes necessary to increase agricultural production; and which implement effective programs to promote economic growth.
- . We will also seek to use our food aid and contributions to international reserves in a way that will minimize wild fluctuations in international food prices.
- . We will work to strengthen and improve the effectiveness of the multilateral organization in their efforts to coordinate global response to world hunger. We should encourage the involvement of third world countries that already have expertise to share.

TACTICAL CONSIDERATIONS

In considering ways to improve the effectiveness of the United States' effort to deal with world hunger, four preliminary issues must be taken into account:

- (1) Existing United States programs have been of varying effectiveness and any new initiative should emphasize strengthening and rationalizing existing efforts.
- (2) The effectiveness of any future U.S. strategy to deal with world hunger is tied to a resolution of longstanding interagency conflicts, and the overall organization of our development assistance effort. Because any recommendations relating to world hunger may be superseded by recommendations Henry Owen is now working on, and by the President's response to the Humphrey/Case Bill, we have deliberately omitted any organizational recommendations. We feel strongly, however, that a major statement

on world hunger should not be delayed and made hostage to broader reorganization issues.

- (3) An Administration initiative on world hunger must be tied to a major effort to build public support. The Presidential Commission will help to do this, as will Richard Harden's efforts with the President's mother and Shirley MacLaine. If done skillfully, we can gain spillover effect for the larger foreign aid issue.
- (4) Although our recommendations do not address the continuing problem of hunger and malnutrition within the U.S., we feel that a world hunger initiative must be combined with stepped-up efforts to deal with the needs of the malnourished poor in our own nation. This is in part reflected by the President's commitment to establish a Commission on Domestic and International Hunger and Malnutrition. Nevertheless, any statement on this subject should address the domestic aspects.

ISSUES AND RECOMMENDATIONS

1. Presidential Commitment

Nothing is more important than explicit Presidential leadership and commitment to demonstrate political will and ensure that appropriate priority is given by the agencies to overriding development considerations, and to encourage other nations to support integrated rural development aimed at the small farmer and landless laborer. It is equally important that the President communicate the priority he attaches to this issue personally to national leaders in those countries where hunger exists. They have to believe that their stature in our eyes is tied to their willingness to deal with hunger as a priority issue and transmit the same message to other leaders in their governments.

Recommendation

Make an explicit Presidential commitment to the reduction of hunger, malnutrition and poverty as a major foreign policy initiative of the U.S., and in this way mobilize public support behind this initiative in particular, and development cooperation overall.

2. Food Production and Consumption Strategies

Anticipating a food deficit of between 95 and 108 million tons by 1985, poor countries must significantly increase their current annual 2.7 percent food production rate. The World Food Council meeting in 1977 reaffirmed the 1974 World Food Conference's target of a 4 percent food production growth rate in the developing world as desirable and achievable.

Consistent with the Congressional "New Directions" mandate and the President's own earlier decisions in this area, we should take certain specific actions that demonstrate U.S. Government support for efforts to increase production. The President has already made the commitment to double foreign aid over the next five years. Most of what is recommended here would fall within that planned budgetary increase.

Recommendations

- . The U.S. should demonstrate this Administration's commitment to "New Directions" by publicly stating it's support for a set of actions which will assure that the Executive Branch is moving to implement the Congressional development assistance guidelines.
- . U.S. World Food Production and Consumption Strategies should emphasize and strengthen the following current elements through bilateral and multilateral efforts by:
 - supporting self-help activity at local levels in rural and community development voluntary agencies;
 - providing food development experts in food deficient countries;
 - pilot testing sustainable food cropping systems which promote rotation and pest control and reduce soil erosion;
 - stressing the need to conduct food production programs within the natural resource base of developing countries to prevent loss of soil nutrients, waterlogging and degradation of lands;
 - facilitating increased production by small farmers and fishermen;
 - providing technical and financial assistance to ensure that existing and future programs include efforts to reduce post-harvest food losses (the FY79 budget would allocate \$3 million to FAO's program on post-harvest loss);
 - improving and expanding food distribution systems including transportation, wholesaling and retailing food chains; and
 - incorporating efforts in food and agriculture with related policies designed to reduce population pressures and integrate these programs with other development efforts such as health, nutrition and education programs.

- . Emphasize and assist in the development of national food and nutrition plans in low-income food-deficient countries to ensure that food production policies and actions are consistent with nutrition objectives. Such support can be made available through AID programming; the cost can be absorbed within planned budget allocations and the President's decision on foreign aid increases.
- . Declare a policy of support for countries undertaking changes in inequitable land tenure patterns. Ask also that existing international institutions examine whether they adequately encourage such changes. This policy should be further elaborated in the U.S. Government statement for the 1979 FAO Conference on Agrarian Reform and Rural Development.

3. Research, Training and Technical Cooperation Strategies

Science and technology are essential factors in all aspects of the food system. U.S. Government expenditures for agricultural research have been estimated at about \$700 million annually, with an additional \$350 million for similar purposes from State governments. Of the \$700 million, \$120 million is reportedly used for human nutrition research, although recent Congressional scrutiny of that figure reveals that at most, \$60 million annually in Federal research funds are actually used for that purpose. Although the private sector spends about as much on research as does the U.S. Government, most of it is market oriented.

The National Academy of Sciences World Food and Nutrition Study on Research reviewed this area comprehensively in a report to the President in June, 1977.

Among their important findings they reported that less than one percent of global food research is done in the developing world. Much of the research and technology originating in high-income countries has been inappropriate for the social conditions of developing countries. Most agricultural research has been directed towards temperate zone agricultural production, and toward cash crops. There has been insufficient attention to viable nutrition and intervention programs or to local adaptation of existing technology to food production. It is generally agreed that in addition to the capacity to adapt and modify sophisticated technology to their own needs, developing countries also need research on specific common problems that are likely to generate findings which they can usefully share with each other.

Recommendations

- . The report to the President of the National Academy of Sciences World Food and Nutrition Study on Research should be used as the basis for establishing a new strategy and clear priorities in research that relate directly to world hunger. Those priorities should include:
 - the encouragement of research on tropical rather than temperate zone agriculture;
 - the nurturing of indigenous agricultural research capability in developing countries;
 - the development of culturally and socially appropriate technology including focus on methods to achieve reduction in post-harvest food loss through improved storage and low cost methods of food preservation and conservation; and
 - expansion of U.S. and LDC research into food prices and grain reserve management systems with greater emphasis in general being given to the social and behavioral sciences approach.
- . The U.S. should expand food and agriculture research (the NAS report recommends an amount of \$120 million) targeted to developing countries needs, bilaterally and through the Consultative Group on International Agriculture Research. There should also be a reallocation of funds from existing programs to those with greater impact on the hungry portions of the population both domestically and internationally.
- . The U.S. Government should prepare for the 1979 UN Science and Technology Conference a proposed international set of guidelines and proposed funding for research and technical collaboration in solving problems of world hunger.
- . Since the current responsibility for agricultural research of potential benefit to developing countries is diffused throughout a number of agencies (including USDA, HEW and AID), OMB should accord high priority in its review to this aspect of its reorganization study of food and agriculture policy and recommend to the President by September 1, 1978, a plan to improve coordination of research efforts in this field.
- . The Office of Science and Technology Policy (OSTP) should head an interagency review of all the major recommendations from the National Academy of Science's study on food and

agricultural research and submit a report accompanying the OMB paper on research organization recommended above. The results of the review should be reflected in the FY80 budget submissions of the appropriate departments and agencies.

4. An International System of Food Reserves

A food authority was discussed at the end of World War II but was not created. More recently, the 1974 World Food Conference called for the establishment of a world food reserve system. Recognizing that food reserves dropped from 90 days' supply in 1971 to 30 in 1975 (though current foreseeable harvests have now raised this to 45 days), 72 governments, including the United States, have endorsed the FAO-sponsored International Undertaking on World Food Security designed "to avoid acute food shortages in the event of widespread crop failures or natural disasters".

Reserves in one form or another have been called for in various international settings: The Seventh Special Session of the UN General Assembly, the World Food Conference, the World Food Council, UNCTAD, the Multilateral Trade Negotiations, and the International Wheat Council. In the United States last year the President signed the Food and Agriculture Act of 1977 which has several reserve provisions.

The International Emergency Food reserve would be a U.S. resource to back up our food aid program. It's 2-6 million tons of grain (preferably 6 million) could also become the U.S. component of an eventual world food reserve for the protection of developing countries. Having encouraged the Administration to create such a reserve, Congress is now considering legislation to specifically authorize it. On August 29, 1977, the President made the decision to establish a 6 million ton reserve. However, the Administration's bill, or even the Administration's position on the Congressional bill, has been held up for more than five months in interagency discussions. As a result, valuable time is being lost and the credibility of the Administration undermined on the Hill and in the private sector.

The domestic market stabilization reserve has also been delayed, largely due to issues regarding the trigger mechanism for the purchase and release of grain. As in the former instance, USDA, along with Congressional, farm, industry and world hunger groups, have supported the creation of such a reserve and have become increasingly uneasy that the process is not proceeding with dispatch. USDA has the authority to provide additional incentives to farmers to release their grain under the program. The Secretary of Agriculture's actions during the week of February 13th, which increased incentives for farmers to participate in this program (increased Federal storage payments), represents

a welcome step. However, in the absence of continuous surveillance and commitment on this matter over the next year, the Congressionally mandated minimum amounts of wheat and feedgrains required to be resealed under this program will be difficult to meet. With the time being propitious for the placing of farmer-held stocks under government loans, with world demand and prices capable of rising in the future, and with world food security still plaguing many developing countries, now is the time to act.

Many reasons are put forth for establishing grain reserves: to provide reasonable price stability for U.S. farmers and consumers; to take care of natural disasters such as the Sahel famine; to provide food security for developing countries that are trying to improve agricultural production; and to reduce price fluctuations in the world market. While all of these purposes may not be fulfilled by a single reserve system, it does not seem necessary to wait for a reconciliation of all of them before taking action on any one of them. Establishing food reserves at both national and international levels, with either centralized or decentralized management, should be included in our overall plan.

The United States now faces large surpluses in major grains and announced a set-aside of up to 20 percent of U.S. acreage planted for wheat and of various other percentages for feed grains. The 35 million metric tons of wheat alone which the United States will carry over into the next crop year represents roughly half of the total world wheat trade, more than one-third of the world's carryover, and about 9 percent of the world's consumption. The United States clearly has the capacity and should play a leading role in establishing and maintaining two reserves: a food-security reserve and a reserve for stabilization of the international grain market.

Recommendations

- . Establish a U.S. food security reserve of up to six million tons. A draft Administration bill is already under review by the Food and Agriculture Policy Committee. A request by the President for a draft bill on his desk by March 1st will ensure no further delay.
- . Direct USDA to follow up on the action to increase farmer incentives to assure that at least the minimum amounts of grain (wheat and feed) mandated by the Congress are under loan by the required time so that a farmer-held domestic market stabilization reserve will provide a certain amount of much needed world food security for developing countries.

- . Pledge 25 percent of the next annual replenishment of the UN emergency grain reserve. The U.S. contribution would be up to 125,000 tons, and could be supplied under the emergency relief provisions of P.L. 480, Title II at no additional cost.

5. Improve the Management of Our Food Aid Program

Many Americans think of world hunger as simply a shortage of enough food, and look to U.S. food aid to provide an immediate and adequate response. Since 1954, when P.L. 480 was enacted, 265 million tons, valued at \$26 million, have been made available on grant or concessional terms to various nations. There is little question that there is a continuing need for U.S. food assistance for the foreseeable future.

In recent years, as world hunger has come to be perceived as a chronic condition in the developing world, some have questioned the desirability of continued massive P.L. 480 shipments. Others feel that an expanded P.L. 480 program is needed, but much of this comes from farm groups who want to see a market maintained for agricultural surpluses. Significant legislative changes have been made in the last decade to align P.L. 480 more effectively with the needs of the hungry. Since 1974, U.S. food aid policy has moved in directions recommended at the UN World Food Conference, although still further changes are required if we are to realize progress in reducing hunger and malnutrition and answer the criticism of development advocates that U.S. food aid is no more than a commodity export program.

Major problems remain in ensuring that food aid reaches the most needy, effectively meets emergency needs, and contributes to advancement of LDC development objectives. In order to meet the President's mandate that our aid reach the poorest people, it will be necessary to streamline the currently cumbersome decision making process used in administering the U.S. food aid program. The President has made a highly important decision in setting a minimum U.S. commitment to contribute 4.47 million tons annually under the new Food Aid Convention.

Recommendations

- . Direct that the Food and Agriculture Policy Committee recommend administrative reforms to ensure that P.L. 480 better serve development and humanitarian purposes in chronic food-deficit developing countries. These changes should include accelerating the utilization of the Food for Development Authority (Title III), provide cash and other incentives to make food aid more developmentally oriented, make Vitamin A and iron (and technical assistance and technology) available to countries for fortification purposes, and streamline the administrative process.

- . Direct the Food and Agricultural Policy Committee to recommend legislative changes to improve the development nature of P.L. 480. Simultaneously, it should also consider separate farm export legislation to ensure that market development for U.S. commodities remains a major objective, with assurances that it will be pursued in ways which do not undermine the developmental purposes of P.L. 480.
- . Direct the Food and Agricultural Policy Committee to study the following issues and make recommendations to the President by September 1, 1978:
 - the costs and benefits of an expanded food aid program in relation to such considerations as U.S. domestic food prices, the need for U.S. acreage set-asides, price support payments to U.S. farmers, and environmental effects;
 - the relative efficiency or complementary nature in the LDCs of U.S. food aid in relation to capital and technical assistance and their comparative availability vis-a-vis food aid; and
 - the value and acceptability of various schemes to deal with crop shortfalls in developing countries through food import bill insurance and the establishment of buffer stocks.

6. Pursuing Trade and Investment Policies Favorable to LDC Needs

Those aspects of the problem of hunger and malnutrition discussed in previous sections have led to recommendations for measures to improve LDCs lack of foreign exchange and capital to import sufficient food supplies and agricultural production inputs and technology.

The self-reliance of the LDCs depends in the long run on their capacity to earn and to attract the necessary capital resources. International trade and foreign investment are the primary international economic vehicles for establishing longer run LDC economic capability to deal with their hunger problems. The magnitude of trade with and investments in LDCs far exceeds official development resources and therefore has a significant potential for contributing to world hunger solutions. Trade barriers exist which inhibit food supplies. And similar barriers exist for food imports which act to inhibit distribution of food to the poor. In addition, U.S. foreign investment by multinational corporations often conflict with developing country needs for access to food for the poor.

The Tokyo Round of Multilateral Trade Negotiations is currently involved in negotiations of tariff reduction on agricultural and industrial products, including those from developing countries. It is expected to conclude the latter part of 1978. Despite general agreement on the importance of trade and investment to developing countries and the need to address these issues as part of a world hunger initiative, no clear direction, much less agreement, emerged from the World Hunger Working Group regarding what specific steps should be undertaken by the U.S. Government. Considerable concern, for example, was expressed by several agency representatives about the economic costs to this country of major changes in trade and tariff policies and the domestic political difficulties which trade policies favorable to LDC's would encounter.

Recommendations

- . That the President direct that the Food and Agricultural Policy Committee, with other affected agencies, prepare a report for the President by September 1, 1978, which assesses the impact of U.S. trade and investment policies on hunger and malnutrition among the poor in developing countries and recommends appropriate steps to be taken by the U.S.
- . In connection with the above recommendation, and following the conclusion of the Tokyo Round, the Office of the Special Trade Representative and other appropriate agencies should review the implications of its outcome for developing countries and recommend additional steps in the area of trade which the U.S. should take to enhance their ability to reduce hunger and malnutrition.

7. Improving and Expanding Private Sector Involvement in Development

One of the distinctive features of American life is the ethos of voluntarism. In addressing emerging social issues, Americans generally look in the first instance to local, civic and private associations and only later to government.

Private organizations provide a major vehicle through which Americans express their active concern for meeting human needs abroad as well as at home. Recent data indicate that Americans now contribute, for overseas relief and development to the private agencies of their choice, as much money each year as the U.S. Government provides in bilateral assistance through AID. Landgrant colleges and universities, research institutions, foundations, and other private agencies have also been active in overseas efforts directed toward the needs of hungry people. People-to-people efforts have always had a special appeal to developing countries.

U.S. policy has generally sought in specific but modest ways to draw on the strength of the U.S. private sector in meeting basic human needs overseas. Recent legislation has directed the U.S. Government to facilitate the work of indigenous non-governmental groups in interested LDCs. However, the U.S. Government has been considerably less creative than other industrialized nations in supporting private sector efforts. The U.S. private sector remains one of the distinctive resources which the U.S. can make more fully available to other nations.

The establishment of the Presidential Commission on World Hunger will be an important element in creating a sense of involvement for private voluntary groups, as well as generating publicity and momentum generally.

Recommendations

- . The U.S. should establish high-level focal points in USDA, AID, State and HEW for private sector involvement liaison, and enlist the participation of informed private sector representatives in periodic advisory meetings with key departmental and Executive Branch food and development policy decision-making mechanisms (e.g., the Working Group on Food and Agriculture Policy and the P.L. 480 Task Force mandated in recent legislation).
- . The Agency for International Development should establish an information clearinghouse on all U.S. Government activities concerned with World Hunger. It should publish periodic reports for dissemination to private sector groups interested in this information.
- . The U.S. should create a special grant program for U.S. PVO's to establish voluntary activities in the developing countries which are designed to reduce hunger and malnutrition and related development problems.

8. Food Corps

Last fall in a speech to the FAO meeting in Rome, Ambassador Young proposed the establishment of an international food corps. There are some problems with such a concept and an interagency committee has been meeting over the last several weeks to iron them out. The group will submit a decision memo to Secretary Vance this week. We do not want to preempt this process, but do feel the U.S. should support the general concept of an international corps of rural development volunteers, and make a commitment to provide financial assistance to those nations or multilateral organizations willing to establish indigenous rural development corps programs.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN.

MEMORANDUM TO HAMILTON JORDAN

FROM: LONDON BUTLER

DATE: FEBRUARY 21, 1978

SUBJECT: COAL STRIKE

The favorable vote by the UMW Bargaining Council yesterday was important because it demonstrated that the UMW is capable of constructive action. Both the Miller and anti-Miller forces voted for the contract -- the opponents were unorganized.

The next step is to move BCOA toward the P&M terms. Largely because of the efforts of Jay Rockefeller, the following action is underway:

- Jay Rockefeller and Julian Carroll are holding a joint press conference in Charleston, West Virginia today urging acceptance of the P&M terms by the BCOA.
- Governors Shapp and Rhodes are holding separate press conferences in their own states.
- The four Governors are asking the utility companies in their states to urge the BCOA to accept the P&M terms.
- The Governors are contacting their Congressional delegations.

The BCOA Executive Committee is meeting today at 11:00am in Washington. We should fully expect that the comments coming from that meeting will express outrage that the White House has caved-in and sold them out. We should not over-react to these initial comments -- we can expect it to take two days for the BCOA to move to the P&M position.

While the pressure is building up on BCOA, we should not neglect the need to create a climate in which the UMW Bargaining Council is locked-in to the P&M terms. This morning, Harry Hoge will be making sure that press releases and radio tapes are distributed in the mine fields, putting the P&M settlement in a favorable light. In addition, the P&M agreement itself

will be voted on by the P&M miners in the next 2-3 days --
that story should place additional pressure on the UWM
Bargaining Council to adhere to the P&M agreement.

904

THE WHITE HOUSE
WASHINGTON
February 21, 1978

Stu Eizenstat
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson
Jim McIntyre
Landon Butler

RE: EMERGENCY COAL DISPUTES ACT
OF 1978

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
/		WATSON
/		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

A BILL

*Stu & Frank - Assess
substance & Congressional
scheduling & procedure
J. C.*

To provide for emergency public possession, control and operation of
certain bituminous coal mines and for other purpose.

Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled, That this Act be cited
as the "Emergency Coal Disputes Act of 1978."

FINDINGS AND PURPOSE

Sec. 2(a) Congress hereby finds that --

- (1) Existing labor-management disputes have resulted in
widespread work stoppages in the mining of bituminous coal which have
caused a substantial decrease in the production of such coal;
- (2) Coal produced in such mines is a critical and essential
element in the generation of electric power, production of steel and
manufacture of numerous industrial commodities;
- (3) The decrease in the production of bituminous coal has
seriously obstructed the free flow of trade and commerce among the
several States and with foreign nations;
- (4) The work stoppage, if permitted to continue, will impose
intense pressures in our industrial economy and severe hardships on the
American people;
- (5) A resumption of the operation of the bituminous coal
mines is necessary for the economic health and safety of the nation, and
for the welfare of the people of the nation;

(6) It is in the urgent interest of the United States that operation of the bituminous coal mines be immediately resumed and that a fair and voluntary settlement of existing labor disputes be effectuated.

(b) The purposes of this Act are to assure that operation of the nation's bituminous coal mines be immediately resumed to permit continued production of coal without interruption; to protect the health, safety and general welfare of the American people; to guarantee the stability of our national economy and the strength of our national defense; to protect the rights of all parties involved in the labor dispute; and to encourage these parties to reach an expeditious and equitable settlement.

GOVERNMENT POSSESSION

Sec. 3(a) The President is authorized to designate a receiver to take possession and assume control of and to operate or arrange for the operation of any mine, plant, or facility engaged in or suitable for the mining, production or distribution of bituminous coal, including any real or personal property, franchise, right, fund or other asset, or any record, pertaining to or used in connection with the operation of any or all such mines, plants, or facilities, and to take such action as is deemed necessary to carry out the authority herein conferred.

(b) The receiver may permit the managements of the mines, plants or facilities seized under the provisions of this Act to continue with their managerial functions consistent with the provisions and purposes of this Act.

(c) The receiver is authorized to act through or with the aid of such public or private instrumentalities or persons as he or she may designate. All Federal agencies are directed to cooperate with the receiver to the fullest extent possible in carrying out the purposes of this Act.

(d) The authority granted in subsection (a) shall be terminated with respect to a particular plant, mine or facility as soon as the President determines that possession is no longer required to further the purposes of this Act, but in no case shall such authority extend beyond 30 days after the President determines that with respect to such plant, mine or facility a final agreement between the parties has been reached.

TERMS OF EMPLOYMENT

Sec. 4(a) The receiver shall make employment available to all employees resuming work at the mines, plants or facilities under Government possession and to all persons seeking employment so far as such persons may be needed. In addition, the receiver shall assure that protection is provided to employees and applicants for employment. Upon request of the receiver, the Secretary of Defense shall take such actions as may be deemed necessary or desirable to provide protection to appropriate persons and mines, plants and facilities.

(b) The receiver shall put into effect, for the period of the possession and a maximum of 30 days thereafter, all terms and conditions of employment, including but not limited to wages, hours, benefits and working conditions. Such terms and conditions of employment shall be as prescribed by the Secretary of Labor, and may include modifications or additions to the terms and conditions existing before the taking of possession: Provided, That nothing in this Act shall affect the continued application of any law otherwise applicable to labor standards.

RIGHTS AND DUTIES OF PARTIES

Sec. 5(a) Employees of the mines, plants or facilities under Government possession are prohibited from engaging in or continuing any strike, slow-down or any other concerted refusal to work or stoppage of work.

(b) After the commencement of possession, it shall be the duty of any labor organization which represents any employees who are or have been employed in the operation of the mine, plant or facility under possession, and of the officers of such organization, to seek in good faith to induce such employees to refrain from a stoppage of work and not to engage in any strike, slow-down, or other concerted refusal to work or stoppage of work, and if such stoppage of work has occurred, to seek in good faith to induce such employees to return to work and not to engage in any strike, slow-down or other concerted refusal to work or stoppage of work until the possession is terminated.

(c) All managers, supervisors and officers of the mines, plants or facilities under possession shall cooperate fully with the receiver in the performance of his or her duties under this Act. Such persons shall not engage in concerted refusals to perform necessary services, or take any actions that would interfere with or impede the operation of the mines, plants or facilities.

(d) After the commencement of the possession, the President may direct the Attorney General to petition any district court having jurisdiction of the parties to enjoin any concerted refusals to work or stoppages of work, or interferences with the operation of the mines, plants or facilities, or other violation of this Act. The district courts shall have jurisdiction to enjoin such activity, or the continuation thereof, and to make such other orders as may be appropriate. In granting such injunction or relief, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, approved March 23, 1932" (USC Supp VII, title 29, Secs. 101-115). Such injunction or order shall be dissolved when the possession is terminated.

(e) Nothing in this Act shall be construed to require an employee, manager, supervisor or officer to render labor or service without his or her consent, nor shall anything in this Act be construed to make the quitting of labor an illegal act.

DUTY TO BARGAIN

Sec. 6(a) During the period of Government possession, the parties to the existing labor dispute shall be obligated to continue good faith collective bargaining for the purpose of settling the issues in the dispute between them.

(b) During the period of possession, the Federal Mediation and Conciliation Service, in consultation with the Secretary of Labor, shall assist the parties in resolving existing labor-management disputes.

COMPENSATION TO OPERATORS

Sec. 7 The mines under Government possession shall be operated by the United States for the account of the mining companies: Provided, That a mining company shall have the right to elect, by written notice filed with the receiver within ten days of the taking of possession, to waive all claims to the proceeds of such operation and to receive in lieu thereof just, fair and reasonable compensation for the period of such possession by the United States. The determination of such compensation shall take into account: (A) the existence of the labor dispute which interrupted or threatened to interrupt the operation of the mine, plant or facility and the effect of such interruption or threatened interruption upon the value to the mining company of the use of such mine, plant or facility; (B) any expenses incurred and the value of any services rendered by the United States in the possession, operation and control of the mines, plants or facility. The Court of Claims and the district courts of the United States shall have jurisdiction, to determine just, fair and reasonable compensation.

Any such actions shall be in accordance with sections 1357 and 1491 of title 28 of the United States Code.

OBLIGATIONS OF MINING COMPANIES: STATUS OF
MINING COMPANY EMPLOYEES AND OFFICERS

Sec. 8(a) Obligations arising under any contract made by the receiver or his or her delegates with respect to a mine, plant or facility during the period of Government possession shall be regarded as the obligation of the mining company and shall be payable out of the assets of such mining company and not from appropriated funds of United States.

(b) Employees, officers, managers and supervisors of the mine, plant or facility shall be considered employees or officers of the United States only to the extent specified by the President to carry out the purposes of this Act. A mine, plant or facility shall be considered an agency or instrumentality of the United States and subject to the laws and regulations applicable thereto only to the extent specified by the President to carry out the purposes of this Act.

REGULATIONS

Sec. 9 The President, the Secretary of Labor and the receiver may issue such rules and regulations as they may deem appropriate to carry out the provisions of this Act.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 10 (a) There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) The President may utilize personnel, and resources appropriated to the various Federal agencies to carry out the provisions of this Act.

LIMITATION OF AUTHORITY

Sec. 11 The President shall not authorize a receiver to take or assume control over any mine, plant or facility under this Act where such taking of possession or assumption of control would occur subsequent to one year from the date of enactment.

DATE OF ENACTMENT

Sec. 12 This Act shall become effective upon its enactment.